# Comprehensive Annual Financial Report

**Fiscal year ended September 30, 2017**

CITY OF COLLEYVILLE TEXAS

# CITY OF
# COLLEYVILLE, TEXAS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED SEPTEMBER 30, 2017**

Prepared by
Finance Department

Shereen Gendy
Chief Financial Officer

Karen Hines
Accounting Manager

# CITY OF COLLEYVILLE, TEXAS

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# INTRODUCTORY SECTION

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March 2, 2018

To the Citizens of the City of Colleyville:

The Comprehensive Annual Financial Report of the City of Colleyville (the "City") for the fiscal year ended September 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position, results of operations and cash flows of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's current system of internal controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

As required by the City's charter, the financial statements have been audited by Pattillo, Brown & Hill, L.L.P., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurances that the financial statements of the City of Colleyville for the fiscal year ended September 30, 2017, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Colleyville's financial statements for fiscal year ended September 30, 2017, are presented in conformity with generally accepted accounting principles (GAAP).

As required by GAAP, management provides a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors report.

## PROFILE OF THE GOVERNMENT

On January 10, 1956, the City of Colleyville was incorporated and adopted a home-rule charter on January 15, 1977. It has a Council-Manager form of government with policy making and legislative authority vested in a governing body consisting of a Mayor and six Council members. The Mayor and Council are responsible for passing ordinances, adopting the budget, appointing board and committee members, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the Mayor and Council, overseeing the day-to-day operations of the City, and appointing department heads. The Mayor and six Council members are elected on an at large, non-partisan basis for three year terms. The three year terms are staggered so that the Mayor and City Council persons from Place 1 and 2 are elected in year one, City Council persons from Places 3 and 4 are elected in year two, and City Council persons from Places 5 and 6 are elected in year three.

The City provides a full range of municipal services. These services include police and fire protection, municipal court, streets, drainage utility, leisure services (parks and recreation, Colleyville Center and library), water and sewer, engineering/community development, and general administrative services. Based upon the criterion set forth in generally accepted accounting principles, the following organizations are includable within the City's reporting entity:

| Entity | Method of Inclusion |
|---|---|
| Colleyville Economic Development Corporation (CEDC) | Blended |
| Colleyville Crime Control and Prevention District | Blended |
| Colleyville Tax Investment Financing Reinvestment Zone Zone Number One (TIF) | Discretely Presented |

The City Charter of the City of Colleyville establishes the fiscal year as October 1 through September 30. The Charter requires the City Manager to submit a proposed budget and accompanying budget message to the City Council each year and the proposed budget is presented to the City Council at a budget work session. After public hearings at two consecutive regular City Council meetings, the Council may adopt the proposed budget, with or without amendment. The budget ordinance is to be adopted no later than the 30th day of September and requires an affirmative vote of a majority of the Council. The City maintains budgetary control by adopting an annual operating budget for the General Fund, Debt Service Fund, Drainage Utility Fund, and Water and Wastewater Enterprise Fund. Detail control is maintained at the line item level by encumbering available funds at the time a purchase order is written. Encumbrances lapse at fiscal year-end, but can be re-appropriated through a budget amendment during the following fiscal year. The City Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.

## LOCAL ECONOMY

The City of Colleyville is a primarily residential-oriented community located 11 miles northeast of the City of Fort Worth, 22 miles northwest of Dallas and 5 miles west of Dallas/Fort Worth International Airport in Northeast Tarrant County. During the fiscal year, the City issued 137 residential building permits, and the average appraised value of a residential property was $492,188. The City issued 98 certificates of occupancy for new, remodeled, and expanding businesses. The City’s strong economy supports a 95% occupancy rate of existing retail and office spaces.

In fiscal year 2017, commercial developments continued to bring new tenants and sales tax dollars to Colleyville including:

- Pet Supermarket
- Brazos Running Company
- Loveria Café
- Vitality Bowls
- Costa Vida (underwent a major renovation)
- McAllister's (underwent a major renovation)
- Sofie Tel Diaz Real Estate Office
- English Rose Organic Spa

In addition to these new businesses and tenants, Colleyville expects to see the following developments in the near future:

- Chipotle is taking over the previous Taco Casa site and is remodeling the building inside and outside (currently under construction)
- A new ±8,000 square foot office building behind Dallas Craft Co. on SH 121
- A new ±9,000 square foot wedding & event venue (Mont Claire) off of Colleyville Boulevard in the Winding Creek development

Transportation projects completed in fiscal year 2017 include street rehabilitation of Bedford Road phase II, Brown Trail, Cheek Sparger Road, Glade Road phases II & IV, Hunter Lane, John McCain Road phase I (Westcoat Drive to Pleasant Run Road) and Westcoat Drive (White Drive to McDonwell School Road).

Transportation projects in progress at the end of fiscal year 2017 are State Highway 26/Colleyville Boulevard (construction of Phases II and III), Glade Road phase 1A and Pleasant Run Road (Shelton Drive to John McCain Road).

**For the Future.** In fiscal year 2018, major transportation projects include rehabilitation of Frontier Court, John McCain Road (Pleasant Run to State Highway 26/Colleyville Boulevard), L.D. Lockett Road, Roberts Road and Glade Road phases 1B and 2. The 2018 local street maintenance program includes the rehabilitation of Stafford Drive, Manning Drive, Bluebonnet Drive, Montclair Drive, Oak Knoll Drive, Wayne Drive, Pleasant Run Road (John McCain North City Limit), Thompson Terrace, Oak Timbers Court and Bowman Drive.

## FINANCIAL INFORMATION:

### Financial Policies

The City of Colleyville operates under financial policies that include multiple components to provide consistency, clarity, and appropriate statutory compliance in the City's financial processes. The City's Charter provides a strong foundation, outlining requirements for the annual budget, monthly financial reports, and annual audit. Additional policies such as the Investment Policy which is reviewed annually by the City Council and the Fund Balance Policy which is reviewed every three years by the Audit Committee provide further details and guidance. Decisions are also made in accordance with any existing bond covenants or state law.

**Long Term Financial Planning**

In Fiscal Year 2005, the City Council adopted a Fund Balance Policy requiring a ninety day reserve for fund balance in both the General Fund and the Utility Fund. In Fiscal Year 2011, the policy was updated to reflect the designations of non-spendable, restricted, committed, assigned and unassigned as required by GASB 54 and was reviewed for update in Fiscal Year 2017. At the end of Fiscal Year 2017, both the General Fund and the Utility Fund have a fund balance in excess of the required ninety day reserve. Amount in excess of the reserve may be used to fund one-time capital expenditures.

In June 2016, the City Council held a priority setting work session, at which eight consensus priorities were identified (listed below).

- Property tax relief
- Restructure water rates
- Accelerate the street capital program
- Improve the Comprehensive Plan
- Fiscal stewardship
- Revise the City Charter
- Improve Glade Road design
- Manage SH26 project impacts

A few months later in January 2017, the City Council held a Visioning Workshop and created a new Strategic Plan, with support from an outside facilitator and senior staff. The Strategic Plan included an updated Vision, Mission, and Values. The Strategic Plan also articulated six overall goals and several strategies to achieve each, as shown below. For each strategy identified, one or more objectives were assigned. This included incorporating the original consensus priorities (above) into the new Strategic Plan objectives.

OUR GOALS
OUR STRATEGY
Operate Transparently
1.1 Actively involve and engage stakeholders
1.2 Develop future community leaders
1.3 Assure convenient access to public information
1.4 Communicate thoroughly and strategically
Deliver High Quality Core Services
2.1 Provide responsive, efficient city services
2.2 Recruit and retain a highly-qualified workforce
2.3 Effectively leverage information technology
2.4 Demonstrate stewardship of public resources
Assure Adequate Infrastructure
3.1 Upgrade the condition of major roads and neighborhood streets
3.2 Ensure regular repair and replacement of water and wastewater facilities
3.3 Mitigate stormwater runoff and flooding risks
3.4 Thoroughly plan for future capital investments and associated costs
Enable Responsible Development
4.1 Protect Colleyville's semi-rural residential character
4.2 Encourage compatible commercial growth
4.3 Adopt best-practice planning and development processes
Safeguard Colleyville's Identity
5.1 Create and sustain an identifiable Colleyville brand
5.2 Support a variety of community events, concerts and celebrations
5.3 Provide attractive facilities for leisure and recreation
5.4 Actively seek public / private partnerships
Govern Effectively
6.1 Articulate a compelling vision and direction for the community
6.2 Establish a culture of mutual trust and respect
6.3 Ensure clarity of City Council and staff roles and responsibilities
6.4 Foster our shared values

Staff's role is to manage City activities and finances in a way that reflects the City Council's and the community's highest priorities. Development of the annual budget is guided by the priorities outlined in the City of Colleyville's Strategic Plan. Every new effort and element of the City's budget, including existing programs, is tied to one or more of these goals, strategies, and objectives.

In fiscal year 2017, departments created Business Plans, which identify their core services, as well as strengths and opportunities for each. Each core service is also linked to one or more objectives in the City's Strategic Plan, providing linkages and responsibility for furthering the City's goals. Department business plans are updated in advance of, and ultimately drive, all budget requests. The future outlook section of the Business Plans ensures that staff is constantly monitoring needs and trends on the horizon.

As a part of the annual budget process, an updated five-year forecast for the General Fund, Utility Fund, Drainage Fund, and Debt Service Fund is presented to the City Council with the proposed budget. The budget process also includes an annual update of the five-year capital improvement program (CIP). Projects in the CIP are funded from a variety of sources including the Capital Projects Fund, Utility Capital Projects Fund, the Tax Increment Financing (TIF) District Fund, or Special Revenue Funds. The Capital Projects Fund accounts for money transferred from the General Fund for use on capital projects, street impact fees, perimeter street fees, and other funds for general capital projects. For internal reporting and tracking, a Utility Capital Projects Fund was created in Fiscal Year 2017 to account for money transferred from the Utility Fund (the operating fund) for use on utility capital projects, water impact fees, and wastewater impact fees. For the Comprehensive Annual Financial Reporting (CAFR) purposes, the activity for the Utility Fund and the Utility Capital Projects funds are combined as the Water and Wastewater Fund.

In Fiscal Year 2017, the ad hoc Water and Wastewater Rate citizen committee recommended creation of a "CIP" base rate on utility bills to generate funding for utility capital projects, which was ultimately adopted by the City Council. The revenue from the CIP base rate is also accounted for in the Utility Capital Projects Fund. Risk to the City is minimized under the new utility rate structure adopted in Fiscal Year 2016, which recovers all of the City's distribution and collection costs in the base rate component and costs related to the purchase of treated water or wastewater treatment are recovered in the volumetric component of the rate. For the next several years, utility capital projects will be funded using available cash in the Utility Capital Projects Fund, which will be replenished with revenue from the CIP base rate over time.

## AWARDS AND ACKNOWLEDGEMENTS

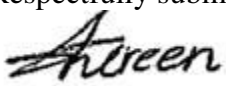
**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Colleyville for its comprehensive annual financial report for the fiscal year ended September 30, 2016. This was the twenty eighth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

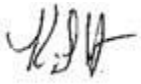
In addition, the City also received the GFOA's Distinguished Budget Presentation award for its annual budget dated October 1, 2016. In order to qualify for this award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

**Acknowledgements.** The preparation of this report could not be accomplished on a timely basis without the dedicated endeavors of the entire staff of the Finance Department. We would like to express our sincere appreciation to all employees who contributed to the preparation. Additionally, we would also like to thank the Mayor, City Council, and City Manager for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

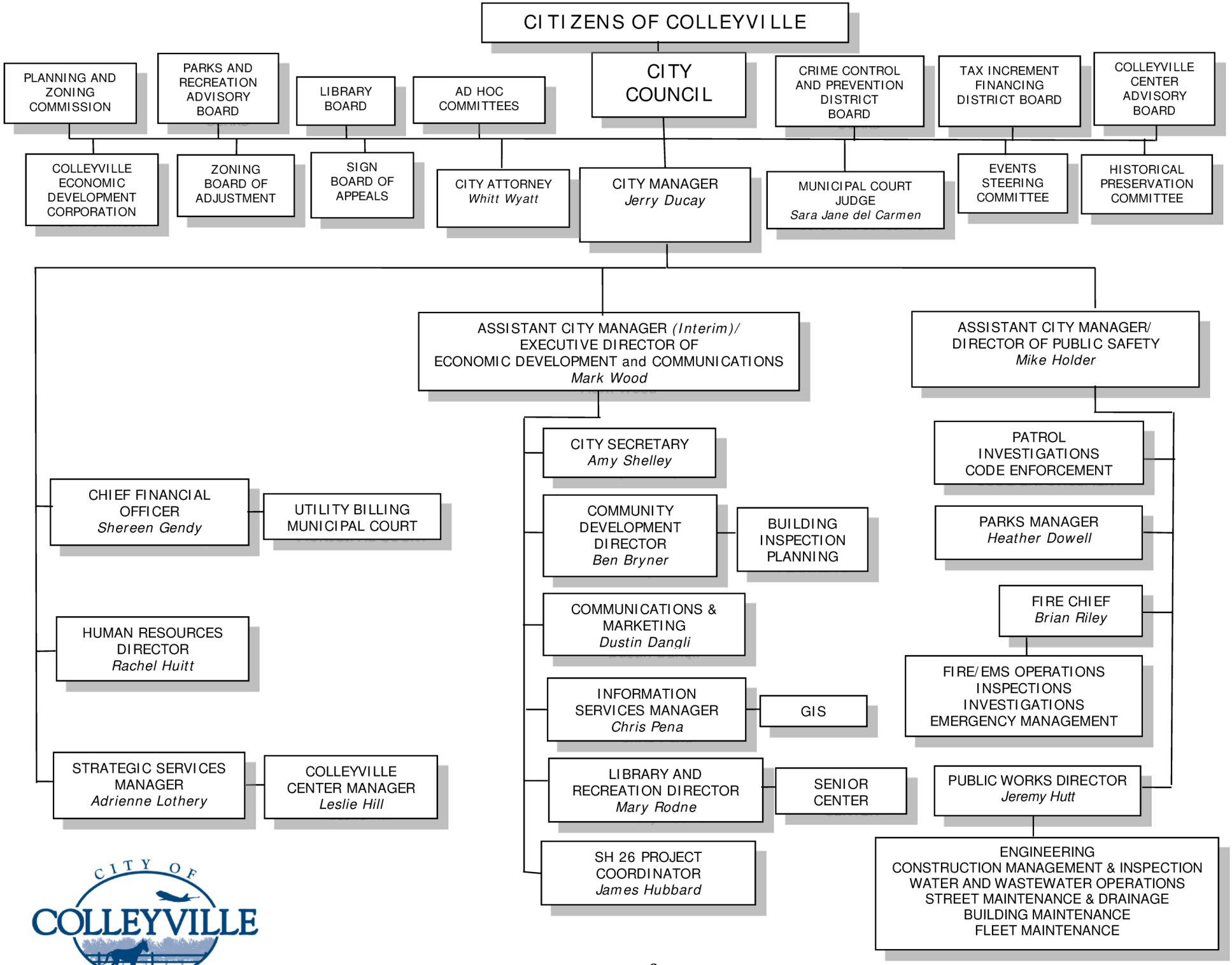
Respectfully submitted,



Shereen Gendy, MSA, CPA, CGFO
Chief Financial Officer



Karen Hines
Accounting Manager






As of 9/30/2017

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Colleyville Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

## September 30, 2016

Christopher P. Morrill

Executive Director/CEO

# CITY OF COLLEYVILLE, TEXAS

**HOME RULE, COUNCIL – MANAGER**
**FORM OF GOVERNMENT**

**CITY OFFICIALS**

**YEAR ENDED SEPTEMBER 30, 2017**

Richard Newton
Mayor

Tammy Nakamura
Councilmember, Place 1

Bobby Lindamood
Mayor Pro Tem and
Councilmember, Place 2

Kathy Wheat
Councilmember, Place 3

George W. Dodson
Councilmember, Place 4

Nancy Coplen
Councilmember, Place 5

Mike Taylor
Councilmember, Place 6

Jerry Ducay
City Manager

Shereen Gendy
Chief Financial Officer

Karen Hines
Accounting Manager

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# FINANCIAL SECTION

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# INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
City of Colleyville, Texas

## Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Colleyville, Texas, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Colleyville, Texas' basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

The City of Colleyville's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Colleyville, Texas, as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios and schedule of contributions, on pages 21 – 31 and 82 – 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Colleyville, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2018, on our consideration of the City of Colleyville, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Colleyville, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 2, 2018

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## Management's Discussion and Analysis

As management of the City of Colleyville, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 – 8 of this report.

## FINANCIAL HIGHLIGHTS

- The assets of the City of Colleyville exceeded its liabilities as of September 30, 2017, by $205,882,475 (net position). Of this amount, $38,608,197 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.

- The City's total net position increased by $3,764,661 from FY 2017 operations.

- As of the close of the current fiscal year, the City of Colleyville's governmental funds reported combined ending fund balances of $40,531,493. Of this amount, $8,866,760 is unassigned fund balance available for use within the City's fund designation and fiscal policies.

- As of September 30, 2017, unreserved, unassigned fund balance for the General Fund was $8,866,760 or 43.6% of the total General Fund expenditures.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements –** The government-wide financial statements, which begin on page 34 of this report, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include General Government, Community Development and Engineering, Fire and Rescue, Leisure Services, Maintenance, Municipal Court, Police, and Streets and Drainage. The business-type activities of the City include Water and Wastewater, and Drainage Utility.

**Fund financial statements –** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The fund financial statements for governmental funds, proprietary funds, and fiduciary funds can be found in the financial section of this report.

**Governmental Funds –** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Beginning on page 38 of this report, information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Capital Projects and Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

**Proprietary Funds –** The City maintains one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for the Water and Wastewater and Drainage Utility Funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements which begin on page 46 of this report provide separate information for the Water and Wastewater and Drainage Utility Enterprise Funds since these are considered to be major funds of the City.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The Fiduciary fund statement is presented on page 50. The accounting used for fiduciary funds is similar to the accounting used for proprietary funds. The City has two agency funds: Employee activity and Sesquicentennial Fund. Agency funds are one of the City's fiduciary fund types. The agency funds account for funds held in an agency capacity for the benefit of the City employees and for the benefit of the City's historical purposes.

**Notes to the Financial Statements –** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51 – 79 of this report.

**Other Information –** In addition to the basic financial statements and accompanying notes, this report also presents combining fund statements and schedules that further support the information in the financial statements. The combining fund statements and schedules for nonmajor funds are presented immediately following the notes to the financial statements beginning on page 86 of this report.

## GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City of Colleyville, assets exceeded liabilities by $205,882,475 as of September 30, 2017.

The largest portion of the City's net position ($144,005,069) reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## CITY OF COLLEYVILLE'S NET POSITION

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Current and other assets | $ 44,138,502 | $ 44,128,921 | $ 20,613,149 | $ 18,131,916 | $ 64,751,651 | $ 62,260,837 |
| Capital assets | 112,067,401 | 111,178,574 | 44,698,792 | 45,067,040 | 156,766,193 | 156,245,614 |
| Total assets | 156,205,903 | 155,307,495 | 65,311,941 | 63,198,956 | 221,517,844 | 218,506,451 |
| Deferred outflow of resources | 3,354,608 | 4,730,558 | 496,362 | 723,084 | 3,850,970 | 5,453,642 |
| Total deferred outflow of resources | 3,354,608 | 4,730,558 | 496,362 | 723,084 | 3,850,970 | 5,453,642 |
| Other liabilities | 3,565,444 | 3,997,794 | 1,960,547 | 1,862,421 | 5,525,991 | 5,860,215 |
| Long-term liabilities | 13,393,803 | 15,158,243 | 534,348 | 780,000 | 13,928,151 | 15,938,243 |
| Total liabilities | 16,959,247 | 19,156,037 | 2,494,895 | 2,642,421 | 19,454,142 | 21,798,458 |
| Deferred inflow of resources | 28,414 | 38,650 | 3,783 | 5,171 | 32,197 | 43,821 |
| Total deferred inflow of resources | 28,414 | 38,650 | 3,783 | 5,171 | 32,197 | 43,821 |
| Net position: | | | | | | |
| Net investment in capital assets | 99,881,334 | 97,982,160 | 44,123,735 | 44,010,618 | 144,005,069 | 141,992,778 |
| Restricted | 23,269,209 | 22,064,007 | - | - | 23,269,209 | 22,064,007 |
| Unrestricted | 19,422,307 | 20,797,199 | 19,185,890 | 17,263,830 | 38,608,197 | 38,061,029 |
| Total net position | $ 142,572,850 | $ 140,843,366 | $ 63,309,625 | $ 61,274,448 | $ 205,882,475 | $ 202,117,814 |

A portion of the City's net position ($23,269,209) represents resources that are subject to external restriction on how they may be used. The remaining balance ($38,608,197) of unrestricted net position may be used to meet the City's ongoing obligation to citizens and creditors in accordance with the City's fund designation and fiscal policies.

As of September 30, 2017, the City has positive balances in all three categories of net position, both for the City as a whole, as well as for its governmental and business-type activities separately. The increase of $1,729,484 in net position relating to governmental activities is primarily due to the deferred outflow of resources related to the City's defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). Deferred outflows arise with differences between expected and actual plan expenditures and earnings, or changes in plan and actuarial assumptions. These deferred outflows represent future pension expenditures. The plan, including the related notes and disclosures, is discussed in detail starting on page 73 of the report. The increase in net position of business type activities $2,035,177 is related to an increase in the deferred outflows of resources related to the TMRS defined benefit pension plan and a decrease in liabilities in the fund. As of September 30, 2017, the city had $1.1M in capital projects outstanding that are funded by the business-type activities. Pleasant Run John McCain to Tinker Waterline Replacement ($765k), John McCain 12" Waterline Replacement ($321k) and Replacement of 6" and 8" wastewater pipelines ($12k). Tiered rates which have been in place since December 2012 were replaced with a flat rate structure in July 2016. The flat rate provides a more equitable basis for our residents by charging a flat base rate that varies depending on the meter size (rather than consumption) and a flat volumetric rate per thousand gallons of usage. The new rate structure gave the residents a relief from high water bills in summer months.

Risk to the City is minimized under the new utility rate structure adopted in Fiscal Year 2016, which recovers all of the City's distribution and collection costs in the base rate component and costs related to the purchase of treated water or wastewater treatment are recovered in the volumetric component of the rate.

**Analysis of the City's Operations** – The following table provides a summary of the City's operations for the year ended September 30, 2017. Governmental activities increased the City of Colleyville's net position by $1,729,484. Business-type activities contributed an increase to the City's net position of $2,035,177.

## CITY OF COLLEYVILLE'S CHANGES IN NET POSITION

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 4,296,470 | $ 4,459,223 | $ 16,941,965 | $ 16,453,801 | $ 21,238,435 | $ 20,913,024 |
| Operating grants and contributions | 507,616 | 514,845 | - | - | 507,616 | 514,845 |
| Capital grants and contributions | 1,302,174 | 319,541 | 481,413 | 43,104 | 1,783,587 | 362,645 |
| General revenues: | | | | | | |
| Ad valorem taxes | 14,548,461 | 13,790,347 | - | - | 14,548,461 | 13,790,347 |
| Sales taxes | 7,304,507 | 7,252,963 | - | - | 7,304,507 | 7,252,963 |
| Franchise taxes | 2,105,881 | 2,206,890 | - | - | 2,105,881 | 2,206,890 |
| Other taxes | 263,587 | 106,607 | - | - | 263,587 | 106,607 |
| Investment earnings | 148,933 | 142,343 | 100,525 | 76,014 | 249,458 | 218,357 |
| Miscellaneous | 168,865 | 150,630 | - | - | 168,865 | 150,630 |
| Gain on sale of capital assets | 17,000 | 51,849 | - | 71,003 | 17,000 | 122,852 |
| Total revenues | 30,663,494 | 28,995,238 | 17,523,903 | 16,643,922 | 48,187,397 | 45,639,160 |
| Expenses: | | | | | | |
| General government | 4,881,741 | 4,449,317 | - | - | 4,881,741 | 4,449,317 |
| Community development and engineering | 1,672,823 | 1,558,750 | - | - | 1,672,823 | 1,558,750 |
| Fire and rescue | 5,524,975 | 4,783,421 | - | - | 5,524,975 | 4,783,421 |
| Leisure services | 4,987,965 | 4,701,443 | - | - | 4,987,965 | 4,701,443 |
| Maintenance | 1,243,614 | 689,861 | - | - | 1,243,614 | 689,861 |
| Municipal court | 606,269 | 448,420 | - | - | 606,269 | 448,420 |
| Police | 6,093,309 | 5,734,116 | - | - | 6,093,309 | 5,734,116 |
| Streets and drainage | 3,578,365 | 5,150,390 | - | - | 3,578,365 | 5,150,390 |
| Water and wastewater | - | - | 14,779,262 | 13,995,038 | 14,779,262 | 13,995,038 |
| Drainage | - | - | 646,145 | 563,268 | 646,145 | 563,268 |
| Interest on long-term debt | 408,268 | 614,159 | - | - | 408,268 | 614,159 |
| Total expenses | 28,997,329 | 28,129,877 | 15,425,407 | 14,558,306 | 44,422,736 | 42,688,183 |
| Increases in net position before transfers | 1,666,165 | 865,361 | 2,098,496 | 2,085,616 | 3,764,661 | 2,950,977 |
| Transfers | 63,319 | 895,668 | ( 63,319) | ( 895,668) | - | - |
| Change in net position | 1,729,484 | 1,761,029 | 2,035,177 | 1,189,948 | 3,764,661 | 2,950,977 |
| Net position, beginning | 140,843,366 | 139,082,337 | 61,274,448 | 60,084,500 | 202,117,814 | 199,166,837 |
| Prior period adjustments | - | - | - | - | - | - |
| Net position, ending | $ 142,572,850 | $ 140,843,366 | $ 63,309,625 | $ 61,274,448 | $ 205,882,475 | $ 202,117,814 |

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

**Governmental funds –** The focus of the City of Colleyville's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

In fiscal year 2017, the governmental funds' unrestricted fund balance increased by $147,140 due to a number of factors. The General Fund is the only governmental fund that can have an unrestricted fund balance. The total General Fund revenue was over $900,000 above budget, including $600,000 in tax revenue (property taxes, sales taxes and franchise taxes). Colleyville benefits from a strong residential base which helps mitigate the negative effects of economic fluctuations. Despite the property tax rate reduction, the General Fund's property tax revenue was more than $400,000 above budget. The excess revenue combined with the city's successful efforts to cut down on expenditures eliminated the need to spend the $1 million budgeted strategic draw down of the fund balance. Also, in fiscal year 2017, the City Council provided direction to transfer the excess fund balance above 100 days of reserves ( policy minimum requires 90 day reserve) to the Capital Projects Fund to fund future capital projects. The fiscal year 2017 excess fund balance allowed Council to authorize a transfer of $582,012 to the Capital Projects Fund, in addition to the originally budgeted transfers of $2,425,000, for a net increase in the Capital Projects Fund balance of $3,007,012. The aforementioned transfers from the General Fund to the Capital Projects Fund were contained within funds that are in the governmental fund classification and did not change the total governmental activities fund balance.

The actual fiscal year 2017 Debt Service Fund balance decreased by $67,306 primarily due to a planned budgeted utilization of $49,723 of surplus fund balance (for the first annual payment of a ten-year lease-purchase agreement for a new fire engine) combined with a greater than anticipated property tax and investment interest revenues of $98,197, as well as a $125,000 down payment for the for the fire truck lease purchase. The fire truck purchase was budgeted and paid for in fiscal year 2016 but the expense and the reduction in fund balance were not recognized until fiscal year 2017, when the truck was delivered.

The unrestricted net position of the proprietary funds are $16,913,756 for the Water and Wastewater Fund and $2,272,134 for the Drainage Utility Fund. The net position of the Water and Wastewater Fund increased by $1,703,499 and the Drainage Fund increased by $331,678, due to the receipt of about $500,000 in developers contributions and the city's diligent efforts to cut down on expenses. The water and wastewater sales were $316,000 above budget and the Drainage fees were $17,440 above budget. Tiered rates which have been in place since December 2012 were replaced with a flat rate structure in July 2016. The flat rate provides a more equitable basis for our residents by charging a flat base rate that varies depending on the meter size (rather than consumption) and a flat volumetric rate per thousand gallons of usage. The new rate structure gave the residents a relief from high water bills in summer months. The new rates did include the continued pass-through of the Trinity River Authority water and wastewater rate increases.

**Governmental Activities –** There was an increase of $1,668,256 in revenue compared to fiscal year 2016. About $870,000 of that increase was related to tax revenues. Colleyville benefits from a strong residential base which helps mitigate the negative effects of economic fluctuations. Property values have experienced a 9.14% growth over the prior year's certified values. Despite the tax rate reduction from $0.3559/$100 valuation to $0.33913/$100 valuation, the city's actual property tax revenue was more than $750,000 above last year's collections for the General Fund and the Debt Service Fund. The current year tax collection rate was 99.46% of the levy. In 2017, the City's first hotel opened for business and the City collected about $150,000 in hotel occupancy taxes. That is a new source of revenue for the City. There was also an increase in capital contributions of about $1 million primarily due to an increase in the street developers contributions over the last year due to new construction.

In fiscal year 2017, there was a compensation and classification study performed. This resulted in a new compensation structure that was implemented in fiscal year 2018. Employees earning below the new minimum salary of their position's pay range received a market adjustment to bring them into the new ranges, and feathering tenured employees into their ranges based on years of service to address compression. Also in fiscal year 2018, the City provided a staffing level of 206 full-time equivalents (FTEs), 2 FTEs more than in fiscal year 2017. The two new FTEs were added by bringing certain landscaping work in-house, as opposed to paying a contractor, and did not result in any net increase to the budget. Major capital purchases included six vehicles for the police department, a pothole patching unit for public works and a four-wheel drive fairway mower for the Parks department.

**Business-type Activities** – The City has two enterprise operations, the Water and Wastewater Fund and the Drainage Utility Fund. The total operating revenue of the Water and Sewer Fund was $15,956,329 for the fiscal year with an increase of about $460,000 from the prior year. The increase in the water and wastewater sales of about $900,000 was offset by a decrease in impact fees of approximately $425,000. The revenue increased primarily due to a 4.8% increase in consumption with only 1% increase in the number of the customers. Also, in December 2016, the volumetric rates went up to pass through the rate increase from the Trinity River Authority, the City's provider of treated water. The increase in the Trinity River Authority rates was the primary factor behind the increase in the fund's operating expense of about $580,000. The coverage ratio for debt for this fund was 9.36 for the fiscal year, exclusive of transfers. The slight increase in the Drainage Utility Fund's revenue increase of about $30,000 was due to new residential and commercial construction.

**General Fund Budgetary Highlights** – In July 2016, the City Council directed staff to eliminate the two transfers from the utility fund to the general fund (franchise fee and general and administrative transfers) in order to eliminate tiered water rates and implement a flat rate model. Elimination of these transfers reduces general fund revenues by approximately $1.2 million annually. The City Council also provided direction to propose a 2016 tax rate that is as close to the effective tax rate as possible. In order to accomplish those objectives, general fund expenditures have been reduced by $647,609 in total, compared to the fiscal year 2016 budget. Increased revenue from the proposed tax rate (1 cent above the effective rate) and other general fund revenue sources provide the funding needed for cost increases necessary to sustain current programs and services.

Items proposed for elimination were selected based on those that would have the least impact to citizen services, while maintaining the Council's priority of fiscal stewardship. When possible, expenditures were moved out of the General Fund to other eligible funding sources. This includes funding the compensation and classification study from the Strategic Initiatives Fund, the pavement condition assessment from the Capital Projects Fund, moving one existing police officer position to the Colleyville Crime Control and Prevention District (CCCPD) budget, funding various landscaping improvements and parks maintenance expenditures from the Voluntary Parks Fund, and funding library books and programming costs entirely out of the Voluntary Library Fund. One part-time and three full-time positions were eliminated, including a part-time police records clerk, the communications and marketing director, economic development coordinator, and a secondary construction manager position vacated as a result of a retirement.

The General Fund transferred out $3,435,717 to several funds including $428,706 to the Vehicle and Capital Equipment Replacement fund and $3,007,012 to the Capital Projects Fund.

For the year ended September 30, 2017, revenues exceeded the final budget in the General Fund due to tax receipts being greater than anticipated, and overall expenditures were lower than the budget due to the city's efforts to cut down on expenditures and when possible, moving expenditures out of the General Fund to other eligible funding sources

Refer to the General Fund Statement of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual on page 45 of this report for a detailed presentation of the actual General Fund operations compared to both the original and final budget for fiscal year 2017.

## CAPITAL ASSETS

The City of Colleyville's investment in capital assets for its governmental and business-type activities as of September 30, 2017, amounts to $156,766,193 (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, improvements other than buildings, infrastructure, and construction work in progress. Declines in overall asset valuations were due to accumulated depreciation on aging assets. Major capital asset events occurring during the current fiscal year included the following:

- Capitalized $1.1 million in street improvements including Cheeksparger Road ($575,000), Westcoat Road ($325,000), Brown Trail ($80,000) and Hunter Lane ($90,000).

- Capitalized $562,000 in infrastructure improvements at LD Lockett/Cottonbelt Trailhead.

- Capitalized $287,000 in water and $402,000 in wastewater.

## CITY OF COLLEYVILLE'S CAPITAL ASSETS AT YEAR-END

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Land | $ 9,178,641 | $ 9,178,641 | $ 304,839 | $ 304,839 | $ 9,483,480 | $ 9,483,480 |
| Buildings and improvements | 50,400,558 | 49,775,646 | 53,922 | 53,922 | 50,454,480 | 49,829,568 |
| Equipment | 12,872,812 | 12,404,954 | 2,019,281 | 1,966,904 | 14,892,093 | 14,371,858 |
| Infrastructure/water distribution sewer collection | 98,134,864 | 95,872,787 | 79,732,627 | 79,044,264 | 177,867,491 | 174,917,051 |
| Construction in progress | 2,309,931 | 661,576 | 1,100,366 | - | 3,410,297 | 661,576 |
| Less: accumulated depreciation | ( 60,829,405) | ( 56,715,030) | ( 38,512,243) | ( 36,302,889) | ( 99,341,648) | ( 93,017,919) |
| Total capital assets | $ 112,067,401 | $ 111,178,574 | $ 44,698,792 | $ 45,067,040 | $ 156,766,193 | $ 156,245,614 |

Additional information on the City's capital assets can be found in Note 4, pages 66 – 67 of this report.

## DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Colleyville had total bonded debt, notes payable and capital lease obligations of $14,457,110. Of this amount, $7,125,000 represents bonded debt backed by the full faith and credit of the government, $6,105,000 represents bonds secured by sales tax revenues, $155,000 represents bonds secured solely by water and sewer revenues, and $475,000 represents bonds secured solely by drainage utility system revenues. The City's capitalized lease obligations of $597,110 pertain to the prior year lease purchase of a fire pumper truck and mid-mount aerial platform fire apparatus, and equipment conversion.

## OUTSTANDING DEBT AT YEAR-END
## BONDS, NOTES AND CAPITALIZED LEASE OBLIGATIONS PAYABLE

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| General obligation bonds and certificates of obligation | $ 7,125,000 | $ 8,550,000 | $ - | $ - | $ 7,125,000 | $ 8,550,000 |
| Sales tax revenue bonds | 6,105,000 | 6,525,000 | - | - | 6,105,000 | 6,525,000 |
| Revenue bonds payable | - | - | 630,000 | 1,090,000 | 630,000 | 1,090,000 |
| Capitalized lease obligations | 597,110 | 362,251 | - | - | 597,110 | 362,251 |
| | $ 13,827,110 | $ 15,437,251 | $ 630,000 | $ 1,090,000 | $ 14,457,110 | $ 16,527,251 |

The City's General Obligation, Tax and Water Works and Sewer System Certificates of Obligation, and Water Works and Sewer System Revenue Bond ratings are listed below.

| | Fitch Ratings | Standard & Poor's |
|---|---|---|
| General Obligation Bonds | AAA | AAA |
| Water Revenue Bonds | AAA | AAA |

In July 2016, the AAA rating on the City's General Obligation Bonds was reaffirmed by both Standard and Poor's and Fitch Ratings. These are the highest bond ratings assigned to municipal debt by these agencies. Additional information on the City of Colleyville's long term debt can be found in footnote 4 on pages 69 – 72 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Colleyville benefits from a strong residential base, which helps mitigate the negative effects of economic fluctuations. Property values have rebounded from the declines experiences in fiscal years 2011 and 2012, and have experienced tremendous growth in the last several years. 2017 certified values increased 10.4% in total, compared to 2016 certified values. One of the City Council's highest priorities is minimizing the tax burden of our citizens. As such, careful consideration is given to the amount of revenue (and associated tax rate) needed, as opposed to simply maintaining a tax rate that brings in ever increasing amounts of revenue due to increased property values. Any tax rate above the effective rate (i.e. that bring in more revenue than the prior year, excluding revenue from new construction) must be fully justified, with the reasons for adopting such a rate clearly communicated. The fiscal year 2018 budget includes a tax rate of $0.333834/$100 valuation, a $0.0053 reduction from the current $0.33913 tax rate. This rate reduction serves to provide some relief to property owners receiving higher appraisal values, while also providing the revenue necessary to fund programs and services.

Sales tax is the second largest revenue source, however, the City's primary commercial corridor along Colleyville Boulevard (SH26) will be under construction for the next several years. Fiscal year 2018 sales tax is projected to have zero growth from fiscal year 2017 year-end projections due to the potential for construction to impact traffic to nearby businesses, and one percent growth is projected for the next several years. The City will be continuing efforts to support and market the impacted businesses during construction, furthering the objective to manage SH26 project impacts.

At the budget work session presentation on August 8, staff reviewed a five-year forecast for all operating funds to fiscal year 2022. That forecast includes estimates for expenditures and the revenues necessary to continue balancing the budget. Ad valorem revenue was projected with growth of 5%, and sales tax was projected with limited growth for the reasons mentioned above. The forecast for General Fund expenditures includes general costs increases of 3.5% for materials and contractual services required each year, as well as personnel costs to continue funding appropriate market and merit adjustments and increasing healthcare costs. These forecasts help staff and the City Council focus on the long-term budgetary implications of current funding decisions. They also help to put long-term goals into perspective relative to the overall resources available.

One of the largest expenses of any City is the cost of the personnel to carry out the community's desired programs and services. The proposed budget provides a staffing level of 206 full-time equivalents (FTEs), 2 FTEs more than in fiscal year 2017. The two new FTEs were added by bringing certain landscaping work in-house, as opposed to paying a contractor, and did not result in any net increase to the budget. This year the City was fortunate to receive no increase on health insurance costs, which makes up the largest portion of the City's personnel budget after salaries. The fiscal year 2018 budget reflects the City Council's bold vision of fully implementing the recommendations of the 2017 Compensation and Classification Study. The study was a six month effort guided by a committee of citizens, Councilmembers, and staff. Final recommendations included updating pay ranges consistent with the market, bringing all employees into the new ranges, and feathering tenured employees into their ranges based on years of service to address compression for a total cost of just over $657,000.

Water and wastewater base rates are directly related to the City's budget for the Utility Fund, and rates are set to only recover the City's cost of operating the utility system. Based on the fiscal year 2018 proposed budget, which includes declining debt payments and a slight increase in the number of customers, it is possible to lower base rates. The City Council recognized this opportunity to carry out their intention of creating a capital funding component in the rate structure, and approved staff's and the Water and Wastewater Rate Advisory Committee's recommendation to maintain current base rates in total, using the difference above what is needed for operations to create a separate CIP base rate. This change completes the City Council's objective to restructure water rates.

## REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact Shereen Gendy, Chief Financial Officer, at 100 Main Street, Colleyville, Texas 76034, or call (817) 503-1014.

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# BASIC
# FINANCIAL STATEMENTS

# CITY OF COLLEYVILLE, TEXAS
## STATEMENT OF NET POSITION
## SEPTEMBER 30, 2017

| | Governmental Activities | Business-type Activities |
|---|---|---|
| **ASSETS** | | |
| Cash and equivalents | $ 23,829,563 | $ 14,277,766 |
| Investments | 16,505,608 | 2,919,775 |
| Receivables (net of allowances for uncollectibles of $262,534) | | |
| Accounts | 83,535 | 2,467,866 |
| Property taxes | 236,897 | - |
| Loans | 2,022,500 | - |
| Due from other governments | 1,421,897 | - |
| Prepaid expenses | 9,726 | - |
| Inventories | 1,426 | 190,842 |
| Accrued interest | 27,350 | 7,629 |
| Restricted assets: | | |
| Cash and equivalents | - | 278,811 |
| Investments | - | 470,460 |
| Capital assets: | | |
| Land | 9,178,641 | 304,839 |
| Buildings and improvements | 50,400,558 | 53,922 |
| Equipment | 12,872,812 | 2,019,281 |
| Infrastructure/water distribution/sewer collection | 98,134,864 | 79,732,627 |
| Construction in progress | 2,309,931 | 1,100,366 |
| Less: accumulated depreciation | ( 60,829,405) | ( 38,512,243) |
| Total capital assets | 112,067,401 | 44,698,792 |
| Total assets | 156,205,903 | 65,311,941 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | |
| Deferred charge on refunding | - | 42,805 |
| Deferred outflows related to pensions | 3,354,608 | 453,557 |
| | 3,354,608 | 496,362 |
| **LIABILITIES** | | |
| Accounts payable | 1,038,074 | 962,325 |
| Accrued liabilities | 221,315 | 31,481 |
| Unearned revenues | 57,606 | - |
| Accrued interest payable | 80,554 | 3,910 |
| Advances from developers | 47,548 | 212,506 |
| Customer deposits | 43,065 | 469,760 |
| Noncurrent liabilities: | | |
| Due within one year | 2,077,282 | 280,565 |
| Due in more than one year | 13,393,803 | 534,348 |
| Total liabilities | 16,959,247 | 2,494,895 |
| **DEFERRED INFLOWS OF RESOURCES** | | |
| Deferred inflows related to pensions | 28,414 | 3,783 |
| Total deferred outflows of resources | 28,414 | 3,783 |
| **NET POSITION** | | |
| Net investment in capital assets | 99,881,334 | 44,123,735 |
| Restricted: | | |
| Debt service | 612,641 | - |
| Court security and technology | 158,853 | - |
| Grant programs | 11,530 | - |
| Leisure services | 353,561 | - |
| Economic development | 4,221,531 | - |
| Streets and drainage | 16,351,066 | - |
| Police | 1,560,027 | - |
| Unrestricted | 19,422,307 | 19,185,890 |
| Total net position | $ 142,572,850 | $ 63,309,625 |

The accompanying notes are an integral part of these financial statements.

| Total | Component Units |
|---|---|
| $ 38,107,329 | $ 13,560,312 |
| 19,425,383 | 5,401,594 |
| | |
| 2,551,401 | - |
| 236,897 | - |
| 2,022,500 | - |
| 1,421,897 | - |
| 9,726 | - |
| 192,268 | - |
| 34,979 | 15,998 |
| | |
| 278,811 | - |
| 470,460 | - |
| | |
| 9,483,480 | 6,878,536 |
| 50,454,480 | - |
| 14,892,093 | - |
| 177,867,491 | 12,655,623 |
| 3,410,297 | - |
| ( 99,341,648) | ( 546,145) |
| 156,766,193 | 18,988,014 |
| 221,517,844 | 37,965,918 |
| | |
| 42,805 | - |
| 3,808,165 | - |
| 3,850,970 | - |
| | |
| 2,000,399 | 531,109 |
| 252,796 | - |
| 57,606 | - |
| 84,464 | 6,288 |
| 260,054 | - |
| 512,825 | - |
| | |
| 2,357,847 | 610,000 |
| 13,928,151 | 1,342,121 |
| 19,454,142 | 2,489,518 |
| | |
| 32,197 | - |
| 32,197 | - |
| | |
| 144,005,069 | 17,035,893 |
| | |
| 612,641 | - |
| 158,853 | - |
| 11,530 | - |
| 353,561 | - |
| 4,221,531 | - |
| 16,351,066 | - |
| 1,560,027 | - |
| 38,608,197 | 18,440,507 |
| $ 205,882,475 | $ 35,476,400 |

# CITY OF COLLEYVILLE, TEXAS

## STATEMENT OF ACTIVITIES

## FOR THE YEAR ENDED SEPTEMBER 30, 2017

| Functions/Programs | Expenses | Program Revenue: Charges for Services | Program Revenue: Operating Grants and Contributions | Program Revenue: Capital Grants and Contributions |
|---|---|---|---|---|
| **Primary government** | | | | |
| Governmental activities: | | | | |
| General government | $ 4,881,741 | $ 338,857 | $ 12,230 | $ 55,781 |
| Community development | 1,672,823 | 1,148,293 | - | - |
| Fire and rescue | 5,524,975 | 340,630 | 13,869 | - |
| Leisure services | 4,987,965 | 553,633 | 373,619 | 50,388 |
| Maintenance | 1,243,614 | - | - | - |
| Municipal court | 606,269 | 1,181,280 | - | - |
| Police | 6,093,309 | 98,859 | 107,898 | - |
| Streets and drainage | 3,578,365 | 634,918 | - | 1,196,005 |
| Interest on long-term debt | 408,268 | - | - | - |
| Total governmental activities | 28,997,329 | 4,296,470 | 507,616 | 1,302,174 |
| Business-type activities: | | | | |
| Water and wastewater | 14,779,262 | 15,956,329 | - | 481,413 |
| Drainage | 646,145 | 985,636 | - | - |
| Total business-type activities | 15,425,407 | 16,941,965 | - | 481,413 |
| Total primary government | $ 44,422,736 | $ 21,238,435 | $ 507,616 | $ 1,783,587 |
| **Component unit** | | | | |
| Tax increment financing | $ 226,352 | $ - | $ - | $ - |
| Total component unit | $ 226,352 | $ - | $ - | $ - |

**General revenues:**

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

TIF taxes

Sales taxes

Franchise taxes

Other taxes

Investment earnings

Miscellaneous

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

The accompanying notes are an integral part of these financial statements.

| Net (Expense) Revenue and Changes in Net Position | | | |
|---|---|---|---|
| Primary Government | | | |
| Governmental Activities | Business-type Activities | Total | Component Units |
| $( 4,474,873) | $ - | $( 4,474,873) | $ - |
| ( 524,530) | - | ( 524,530) | - |
| ( 5,170,476) | - | ( 5,170,476) | - |
| ( 4,010,325) | - | ( 4,010,325) | - |
| ( 1,243,614) | - | ( 1,243,614) | - |
| 575,011 | - | 575,011 | - |
| ( 5,886,552) | - | ( 5,886,552) | - |
| ( 1,747,442) | - | ( 1,747,442) | - |
| ( 408,268) | - | ( 408,268) | - |
| ( 22,891,069) | - | ( 22,891,069) | - |
| - | 1,658,480 | 1,658,480 | - |
| - | 339,491 | 339,491 | - |
| - | 1,997,971 | 1,997,971 | - |
| ( 22,891,069) | 1,997,971 | ( 20,893,098) | - |
| - | - | - | ( 226,352) |
| - | - | - | ( 226,352) |
| 13,808,947 | - | 13,808,947 | - |
| 739,514 | - | 739,514 | - |
| - | - | - | 4,779,832 |
| 7,304,507 | - | 7,304,507 | - |
| 2,105,881 | - | 2,105,881 | - |
| 263,587 | - | 263,587 | - |
| 148,933 | 100,525 | 249,458 | 167,075 |
| 168,865 | - | 168,865 | - |
| 17,000 | - | 17,000 | - |
| 63,319 | ( 63,319) | - | - |
| 24,620,553 | 37,206 | 24,657,759 | 4,946,907 |
| 1,729,484 | 2,035,177 | 3,764,661 | 4,720,555 |
| 140,843,366 | 61,274,448 | 202,117,814 | 30,755,845 |
| $ 142,572,850 | $ 63,309,625 | $ 205,882,475 | $ 35,476,400 |

# CITY OF COLLEYVILLE, TEXAS
## BALANCE SHEET
## GOVERNMENTAL FUNDS
## SEPTEMBER 30, 2017

| | General | Capital Projects | Debt Service |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ 1,059,037 | $ 13,674,475 | $ 691,402 |
| Investments | 8,561,650 | 3,076,557 | - |
| Receivables (net of allowances for uncollectibles) | | | |
| Accounts | 83,535 | - | - |
| Taxes | 210,003 | - | 26,894 |
| Loans | 142,500 | - | 1,880,000 |
| Due from other governments | 747,877 | - | 1,793 |
| Inventories | 1,426 | - | - |
| Accrued interest | 14,106 | - | - |
| Prepaid items | 9,726 | - | - |
| Total assets | 10,829,860 | 16,751,032 | 2,600,089 |
| **LIABILITIES** | | | |
| Accounts payable | 623,578 | 398,333 | - |
| Accrued liabilities | 205,488 | 1,633 | - |
| Unearned revenue | 57,606 | - | - |
| Advances from developers | 47,548 | - | - |
| Customer deposits | 43,065 | - | - |
| Total liabilities | 977,285 | 399,966 | - |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Unavailable revenue - property taxes | 210,003 | - | 26,894 |
| Unavailable revenue - municipal fines | 12,005 | - | - |
| Unavailable revenue - ambulance fees | 70,499 | - | - |
| Unavailable revenue - receivable from component unit | - | - | 1,880,000 |
| Total deferred inflows of resources | 292,507 | - | 1,906,894 |
| **FUND BALANCES** | | | |
| Non-spendable: | | | |
| Inventories | 1,426 | - | - |
| Prepaid items | 9,726 | - | - |
| Restricted: | | | |
| Streets and drainage | - | 16,351,066 | - |
| Debt service | - | - | 693,195 |
| Court security and technology | - | - | - |
| Grant programs | - | - | - |
| Leisure services | - | - | - |
| Economic development | - | - | - |
| Police | - | - | - |
| Committed: | | | |
| Strategic initiatives | 682,156 | - | - |
| Leisure services | - | - | - |
| Capital projects | - | - | - |
| Assigned: | | | |
| Capital projects | - | - | - |
| Leisure services | - | - | - |
| Unassigned | 8,866,760 | - | - |
| Total fund balances | 9,560,068 | 16,351,066 | 693,195 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 10,829,860 | $ 16,751,032 | $ 2,600,089 |

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Long term assets are not available for net pension obligation.

Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Net position of governmental activities

The accompanying notes are an integral part of these financial statements.

| Other Governmental | Total Governmental Funds |
|---|---|
| $ 8,404,649 | $ 23,829,563 |
| 4,867,401 | 16,505,608 |
| | |
| - | 83,535 |
| - | 236,897 |
| - | 2,022,500 |
| 672,227 | 1,421,897 |
| - | 1,426 |
| 13,244 | 27,350 |
| - | 9,726 |
| 13,957,521 | 44,138,502 |
| | |
| 16,163 | 1,038,074 |
| 14,194 | 221,315 |
| - | 57,606 |
| - | 47,548 |
| - | 43,065 |
| 30,357 | 1,407,608 |
| | |
| - | 236,897 |
| | 12,005 |
| - | 70,499 |
| - | 1,880,000 |
| - | 2,199,401 |
| | |
| - | 1,426 |
| - | 9,726 |
| | |
| - | 16,351,066 |
| - | 693,195 |
| 158,853 | 158,853 |
| 11,530 | 11,530 |
| 353,561 | 353,561 |
| 4,221,531 | 4,221,531 |
| 1,560,027 | 1,560,027 |
| | |
| - | 682,156 |
| 1,617,104 | 1,617,104 |
| 4,885,496 | 4,885,496 |
| | |
| 1,100,457 | 1,100,457 |
| 18,605 | 18,605 |
| - | 8,866,760 |
| 13,927,164 | 40,531,493 |
| $ 13,957,521 | |
| | |
| | 112,067,401 |
| | 2,778,417 |
| | 2,199,401 |
| | ( 15,003,862) |
| | $ 142,572,850 |

# CITY OF COLLEYVILLE, TEXAS
## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | General | Capital Projects | Debt Service |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 19,722,933 | $ - | $ 736,053 |
| Fees and fines | 840,585 | - | - |
| Licenses and permits | 1,049,673 | - | - |
| Intergovernmental | - | - | 655,781 |
| Charges for services | 1,455,665 | - | - |
| Capital improvement fees | - | 612,134 | - |
| Donations | - | - | - |
| Investment earnings | 79,327 | 3,644 | 6,815 |
| Miscellaneous | 80,655 | 80,659 | - |
| Total revenues | 23,228,838 | 696,437 | 1,398,649 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General government | 4,029,370 | 13,276 | - |
| Community development and engineering | 1,404,161 | 107,239 | - |
| Fire and rescue | 4,840,545 | - | - |
| Leisure services | 2,514,340 | 15,000 | - |
| Maintenance | 673,865 | 42,971 | - |
| Municipal court | 363,962 | - | - |
| Police | 4,576,807 | 999 | - |
| Streets and drainage | 1,332,402 | 182,881 | - |
| Debt service: | | | |
| Principal | - | - | 1,731,212 |
| Interest and other charges | - | - | 238,605 |
| Capital outlay | 581,120 | 2,929,284 | - |
| Total expenditures | 20,316,572 | 3,291,650 | 1,969,817 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES** | 2,912,266 | ( 2,595,213) | ( 571,168) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Capital lease | 541,073 | - | - |
| Sale of capital assets | 17,000 | - | - |
| Transfers in | - | 3,007,012 | 503,862 |
| Transfers out | ( 3,435,717) | ( 30,796) | - |
| Total other financing sources and uses | ( 2,877,644) | 2,976,216 | 503,862 |
| **NET CHANGE IN FUND BALANCES** | 34,622 | 381,003 | ( 67,306) |
| **FUND BALANCES, BEGINNING** | 9,525,446 | 15,970,063 | 760,501 |
| **FUND BALANCES, ENDING** | $ 9,560,068 | $ 16,351,066 | $ 693,195 |

The accompanying notes are an integral part of these financial statements.

| Other Governmental | Total Governmental Funds |
|---|---|
| $ 3,700,030 | $ 24,159,016 |
| 377,609 | 1,218,194 |
| - | 1,049,673 |
| 12,688 | 668,469 |
| 29,993 | 1,485,658 |
| - | 612,134 |
| 449,130 | 449,130 |
| 59,123 | 148,909 |
| 22,575 | 183,889 |
| 4,651,148 | 29,975,072 |
| | |
| 124,089 | 4,166,735 |
| - | 1,511,400 |
| 30,214 | 4,870,759 |
| 765,857 | 3,295,197 |
| - | 716,836 |
| 179,167 | 543,129 |
| 920,600 | 5,498,406 |
| - | 1,515,283 |
| 420,000 | 2,151,212 |
| 181,872 | 420,477 |
| 922,480 | 4,432,884 |
| 3,544,279 | 29,122,318 |
| | |
| 1,106,869 | 852,754 |
| | |
| - | 541,073 |
| - | 17,000 |
| 532,820 | 4,043,694 |
| ( 513,862) | ( 3,980,375) |
| 18,958 | 621,392 |
| 1,125,827 | 1,474,146 |
| 12,801,337 | 39,057,347 |
| $ 13,927,164 | $ 40,531,493 |

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# CITY OF COLLEYVILLE, TEXAS

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

## FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | |
|---|---|
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Net change in fund balances - total governmental funds: | $ 1,474,146 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | 888,827 |
| Revenues, in the statement of activities, that do not provide current financial resources, are not reported as revenues in the funds. | ( 524,583) |
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. | 1,610,347 |
| Certain pension expenditures are not expended in the government-wide financial statements and recorded as deferred resource outflows or inflow. This item relates to contributions made after the measurement date. Additionally, a portion of the City's unrecognized deferred resource outflows related to the pension liability were amortized. | ( 1,713,648) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | ( 5,605) |
| Change in net position of governmental activities | $ 1,729,484 |

The accompanying notes are an integral part of these financial statements.

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# CITY OF COLLEYVILLE, TEXAS

## GENERAL FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **REVENUES** | | | | |
| Taxes | $ 19,123,370 | $ 19,123,370 | $ 19,722,933 | $ 599,563 |
| License and permits | 931,500 | 931,500 | 1,049,673 | 118,173 |
| Fees and fines | 874,420 | 874,420 | 840,585 | ( 33,835) |
| Charges for services | 1,316,893 | 1,316,893 | 1,455,665 | 138,772 |
| Investment earnings | 25,000 | 25,000 | 79,327 | 54,327 |
| Other | 55,100 | 55,100 | 80,655 | 25,555 |
| Total revenues | 22,326,283 | 22,326,283 | 23,228,838 | 902,555 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | 4,209,650 | 4,209,650 | 4,029,370 | 180,280 |
| Community development and engineering | 1,485,431 | 1,485,431 | 1,404,161 | 81,270 |
| Fire and rescue | 4,520,121 | 4,520,121 | 4,840,545 | ( 320,424) |
| Leisure services | 2,783,978 | 2,783,978 | 2,514,340 | 269,638 |
| Maintenance | 745,578 | 745,578 | 673,865 | 71,713 |
| Municipal court | 419,415 | 419,415 | 363,962 | 55,453 |
| Police | 4,702,861 | 4,702,861 | 4,576,807 | 126,054 |
| Streets and drainage | 1,600,593 | 1,600,593 | 1,332,402 | 268,191 |
| Capital outlay | 8,428 | 8,428 | 581,120 | ( 572,692) |
| Total expenditures | 20,476,055 | 20,476,055 | 20,316,572 | 159,483 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES** | 1,850,228 | 1,850,228 | 2,912,266 | 1,062,038 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Capital lease | - | - | 541,073 | 541,073 |
| Transfers out | ( 2,853,706) | ( 2,853,706) | ( 3,435,717) | ( 582,011) |
| Sale of capital assets | 5,000 | 5,000 | 17,000 | 12,000 |
| Total other financing sources and uses | ( 2,848,706) | ( 2,848,706) | ( 2,877,644) | ( 28,938) |
| **NET CHANGE IN FUND BALANCE** | ( 998,478) | ( 998,478) | 34,622 | 1,033,100 |
| **FUND BALANCE, BEGINNING** | 9,525,446 | 9,525,446 | 9,525,446 | - |
| **FUND BALANCE, ENDING** | $ 8,526,968 | $ 8,526,968 | $ 9,560,068 | $ 1,033,100 |

The accompanying notes are an integral part of these financial statements.

# CITY OF COLLEYVILLE, TEXAS

## STATEMENT OF NET POSITION

## PROPRIETARY FUNDS

## SEPTEMBER 30, 2017

| | Enterprise Funds | | |
|---|---|---|---|
| | Water and Wastewater | Drainage Utility | Total |
| **ASSETS** | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 12,315,672 | $ 1,962,094 | $ 14,277,766 |
| Investments | 2,720,161 | 199,614 | 2,919,775 |
| Accounts receivable, net of allowances | 2,350,303 | 117,563 | 2,467,866 |
| Inventories | 190,842 | - | 190,842 |
| Restricted assets: | | | |
| Cash and cash equivalents | 157,325 | 121,486 | 278,811 |
| Investments | 470,460 | - | 470,460 |
| Total current assets | 18,204,763 | 2,400,757 | 20,605,520 |
| Non-current assets: | | | |
| Accrued interest receivable | 7,324 | 305 | 7,629 |
| Capital assets: | | | |
| Land and improvements | 304,839 | - | 304,839 |
| Buildings | 53,922 | - | 53,922 |
| Utility system | 75,429,615 | 4,303,012 | 79,732,627 |
| Equipment and furniture | 1,568,241 | 451,040 | 2,019,281 |
| Construction in progress | 1,100,366 | - | 1,100,366 |
| Less accumulated depreciation | ( 36,835,535) | ( 1,676,708) | ( 38,512,243) |
| Total non-current assets | 41,628,772 | 3,077,649 | 44,706,421 |
| Total assets | 59,833,535 | 5,478,406 | 65,311,941 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Deferred charge on refunding | 39,935 | 2,870 | 42,805 |
| Deferred outflows related to pensions | 378,091 | 75,466 | 453,557 |
| Total deferred outflows of resources | 418,026 | 78,336 | 496,362 |
| **LIABILITIES** | | | |
| Current liabilities: | | | |
| Accounts payable | 952,512 | 9,813 | 962,325 |
| Accrued liabilities | 26,370 | 5,111 | 31,481 |
| Accrued interest payable | 1,163 | 2,747 | 3,910 |
| Advances from developers | 95,613 | 116,893 | 212,506 |
| Customer deposits | 469,760 | - | 469,760 |
| Compensated absences | 13,162 | 2,403 | 15,565 |
| Revenue bonds payable | 155,000 | 110,000 | 265,000 |
| Total current liabilities | 1,713,580 | 246,967 | 1,960,547 |
| Non-current liabilities: | | | |
| Compensated absences | 52,646 | 17,743 | 70,389 |
| Net pension obligation | 61,980 | 12,040 | 74,020 |
| Revenue bonds payable | 24,939 | 365,000 | 389,939 |
| Total non-current liabilities | 139,565 | 394,783 | 534,348 |
| Total liabilities | 1,853,145 | 641,750 | 2,494,895 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Deferred inflows related to pensions | 3,216 | 567 | 3,783 |
| Total deferred inflows of resources | 3,216 | 567 | 3,783 |
| **NET POSITION** | | | |
| Net investment in capital assets | 41,481,444 | 2,642,291 | 44,123,735 |
| Unrestricted | 16,913,756 | 2,272,134 | 19,185,890 |
| Total net position | $ 58,395,200 | $ 4,914,425 | $ 63,309,625 |

The accompanying notes are an integral part of these financial statements.

# CITY OF COLLEYVILLE, TEXAS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

## PROPRIETARY FUNDS

## FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Enterprise Funds | | |
|---|---|---|---|
| | Water and Wastewater | Drainage Utility | Total |
| **OPERATING REVENUES** | | | |
| Metered water sales | $ 10,958,905 | $ - | $ 10,958,905 |
| Wastewater service charges | 3,876,154 | - | 3,876,154 |
| Drainage service charges | - | 972,082 | 972,082 |
| Other charges and services | 1,075,890 | 13,554 | 1,089,444 |
| Miscellaneous | 45,380 | - | 45,380 |
| Total operating revenues | 15,956,329 | 985,636 | 16,941,965 |
| **OPERATING EXPENSES** | | | |
| Personnel services | 1,833,303 | 395,231 | 2,228,534 |
| Maintenance and contractual services | 10,709,725 | 79,197 | 10,788,922 |
| Materials and supplies | 134,848 | 22,330 | 157,178 |
| Depreciation and amortization | 2,093,361 | 131,706 | 2,225,067 |
| Total operating expenses | 14,771,237 | 628,464 | 15,399,701 |
| **OPERATING INCOME** | 1,185,092 | 357,172 | 1,542,264 |
| **NON-OPERATING REVENUES (EXPENSES)** | | | |
| Interest and investment revenues | 89,306 | 11,219 | 100,525 |
| Interest expense and fiscal charges | ( 8,025) | ( 17,681) | ( 25,706) |
| Total non-operating revenues (expenses) | 81,281 | ( 6,462) | 74,819 |
| **INCOME BEFORE CONTRIBUTIONS AND TRANSFERS** | 1,266,373 | 350,710 | 1,617,083 |
| Capital contributions | 481,413 | - | 481,413 |
| Transfers out | ( 44,287) | ( 19,032) | ( 63,319) |
| **CHANGE IN NET POSITION** | 1,703,499 | 331,678 | 2,035,177 |
| **TOTAL NET POSITION, BEGINNING** | 56,691,701 | 4,582,747 | 61,274,448 |
| **TOTAL NET POSITION, ENDING** | $ 58,395,200 | $ 4,914,425 | $ 63,309,625 |

The accompanying notes are an integral part of these financial statements.

# CITY OF COLLEYVILLE, TEXAS

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

## FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Enterprise Funds | | |
|---|---|---|---|
| | Water and Wastewater | Drainage Utility | Totals |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Cash received from customers | $ 15,789,019 | $ 1,095,130 | $ 16,884,149 |
| Cash paid to suppliers for goods and services | ( 10,733,340) | ( 93,550) | ( 10,826,890) |
| Cash paid to employees for services | ( 1,636,513) | ( 360,100) | ( 1,996,613) |
| Net cash provided by operating activities | 3,419,166 | 641,480 | 4,060,646 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | |
| Transfers out | ( 44,287) | ( 19,032) | ( 63,319) |
| Net cash used for noncapital financing activities | ( 44,287) | ( 19,032) | ( 63,319) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | |
| Acquisition of capital assets | ( 1,841,106) | - | ( 1,841,106) |
| Capital grants and contributions | 481,413 | - | 481,413 |
| Principal paid on debt | ( 350,001) | ( 110,000) | ( 460,001) |
| Interest paid on debt | ( 8,025) | ( 17,680) | ( 25,705) |
| Net cash used for capital and related financing activities | ( 1,717,719) | ( 127,680) | ( 1,845,399) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| (Purchase) sale of investments | 4,869,266 | 219,635 | 5,088,901 |
| Earnings on investments | 89,306 | 11,219 | 100,525 |
| Net cash provided (used) by investing activities | 4,958,572 | 230,854 | 5,189,426 |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | 6,615,732 | 725,622 | 7,341,354 |
| **CASH AND CASH EQUIVALENTS, BEGINNING** | 5,857,265 | 1,357,958 | 7,215,223 |
| **CASH AND CASH EQUIVALENTS, ENDING** | $ 12,472,997 | $ 2,083,580 | $ 14,556,577 |

The accompanying notes are an integral part of these financial statements.

# CITY OF COLLEYVILLE, TEXAS

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS
## (Continued)
## FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Enterprise Funds | | |
|---|---|---|---|
| | Water and Wastewater | Drainage Utility | Totals |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income | $ 1,185,092 | $ 357,172 | $ 1,542,264 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Depreciation and amortization expense | 2,093,361 | 131,706 | 2,225,067 |
| Changes in assets and liabilities: | | | |
| Decrease (increase) in assets: | | | |
| Accounts receivable | ( 180,520) | ( 7,399) | ( 187,919) |
| Inventory | ( 55,617) | - | ( 55,617) |
| Accrued interest receivable | 13,643 | 1,113 | 14,756 |
| Increase (decrease) in liabilities: | | | |
| Accounts payable | 155,832 | 7,501 | 163,333 |
| Accrued liabilities | 4,459 | 1,202 | 5,661 |
| Compensated absences payable | ( 7,342) | 1,922 | ( 5,420) |
| Customer deposits | 13,210 | - | 13,210 |
| Advances from developers | - | 116,893 | 116,893 |
| Net pension liability | 199,673 | 32,007 | 231,680 |
| Accrued interest payable | ( 2,625) | ( 637) | ( 3,262) |
| Net cash provided by operations | $ 3,419,166 | $ 641,480 | $ 4,060,646 |
| Noncash investing, capital, and financing activities: | | | |
| Contributions of capital assets | $ 43,104 | $ - | $ 43,104 |

The accompanying notes are an integral part of these financial statements.

# CITY OF COLLEYVILLE, TEXAS

## STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

## SEPTEMBER 30, 2017

| | Agency Fund |
|---|---|
| **ASSETS** | |
| Cash and investments | $ 25,246 |
| Total assets | $ 25,246 |
| **LIABILITIES** | |
| Due to other agencies and individuals | $ 25,246 |
| Total liabilities | $ 25,246 |

The accompanying notes are an integral part of these financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Colleyville Home Rule Charter was adopted by the voters at an election held on January 15, 1977. The City operates under a Council-Manager form of government.

The accounting policies of the City of Colleyville, Texas (the "City") conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant of such policies:

### A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each blended component unit has a September 30 year-end.

Blended Component Unit – The Colleyville Economic Development Corporation (CEDC) was incorporated on September 3, 1996, as a nonprofit industrial development corporation under the Development Corporation Act of 1979 ("Act"). The CEDC operates under a seven (7) member Board of Directors appointed by the City Council. Each of the directors shall be a resident of the City. The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of and to act on behalf of, the City, and the specific purposes for which the Corporation is organized. This includes municipal park improvements, the purchase of land and improvements for additional neighborhood parks, the construction of a community center and library. Although it is legally separate from the City, the CEDC is reported as if it were part of the primary government, because CEDC is financing public improvements and the City is the primary beneficiary of the services provided.

Blended Component Unit – Colleyville Crime Control and Prevention District (the District) was formed under Chapter 363 of the Texas Local Government Code, the Crime Control and Prevention District Act. The District is organized to act on behalf of the City for financing, development of crime control throughout the City. The District is governed by a seven-member board consisting of all members of the City Council. The District is reported as a part of the primary government because it provides services entirely for the City.

Discretely Presented Component Unit – Colleyville Tax Increment Financing Reinvestment Zone Number One (the TIF) was formed to make public improvements, under the authority of the Tax Increment Financing Act. The TIF is governed by a nine-member board consisting of five members appointed by the City Council and one member each appointed by the four other participating taxing entities. The primary government appoints a voting majority of the unit's governing body and the City has a potential economic benefit from this unit. Therefore, the TIF is presented in the accompanying financial statements as a discretely presented component unit. Complete financial statements for the TIF may be obtained from the City of Colleyville Finance Department, 100 Main Street, Colleyville, Texas 76034.

## B. Government-wide Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue.*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

## C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and fiduciary fund financial statements, except for Agency Funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

***GOVERNMENTAL FUNDS***

***Governmental Funds*** are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in the proprietary fund type) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental fund types:

The City reports the following major governmental funds:

The ***General Fund*** – is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The ***Capital Projects Fund*** – is used to account for financial resources to be used for the acquisition or construction of general major capital facilities. Financing is provided primarily by the sale of general obligation bonds and developer contributions.

The ***Debt Service Fund*** – is used to account for the acquisition of resources for, and the payment of, general long-term debt principal and interest, and related costs.

Additionally, the City also reports the following fund type:

The ***Special Revenue Fund*** – accounts for the revenues and expenditures associated with a special project or purpose.

***PROPRIETARY FUNDS***

***Proprietary Funds*** are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance.

The City reports the following major proprietary funds:

The ***Water and Wastewater Fund*** – is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. This fund is used to account for water and wastewater operations.

The ***Drainage Utility Fund*** – is used to account for the establishment and maintenance of drainage facilities within the municipal boundaries of the City. All activities necessary to provide such facilities are accounted for in this fund, included but not limited to, administration, operations, maintenance, billing and collections.

***FIDUCIARY FUNDS***

***Agency Fund*** – ***Fiduciary Funds*** are used to account for assets held by the City in a trustee capacity or as an agent on behalf of others. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The City has two agency funds: Employee Activity and the Sesquicentennial Fund. These funds are held for the benefit of City employees and to benefit the City's historical purposes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

## D. Cash and Cash Equivalents and Investments

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments (investments with original maturities less than 90 days, including restricted assets) to be cash equivalents.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments for the City are reported at fair value, except for the position in investment pools. The City's investment in pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

## E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The allowance for uncollectible accounts receivable for utility billing is estimated as a percentage of sales calculated based on historical experience. Ambulance receivables in excess of 180 days comprise the ambulance allowance for uncollectables. The allowance for uncollectable accounts for capias warrants is set at 90% of outstanding receivables.

Property taxes are imposed nonexchange revenues. Assets from imposed nonexchange transactions are recorded when the entity has enforceable legal claim to the asset, or when the entity receives resources, whichever comes first. The enforceable legal claim date for property taxes is the assessment date. The assessment date has been designated in the enabling legislation as of October 1. The City's property tax is levied on the assessed value listed as of the prior January 1. Taxes are due upon receipt of the tax bill. All unpaid taxes become delinquent if not paid before February 1 of the current fiscal year.

## F. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumer rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

## G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|---|---|
| Buildings | 15 - 50 |
| Improvements | 20 - 50 |
| Equipment | 5 - 10 |
| Infrastructure (streets and drainage) | 50 |
| Water distribution/sewer collection | 5 - 40 |

## H. Compensated Absences

City employees are granted vacation and sick pay in varying amounts. In the event of termination, an employee is paid for all accumulated, unused vacation. Vacation pay is accrued as it vests to the employee. Sick pay is recorded when paid or upon retirement when a maximum of 90 days is paid. The accrued sick pay is not recorded, as the City's policy is not to compensate employees upon separation of services with the City, except for retirement, and such amounts are not considered material. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

## I. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, the face amount of debt issued is reported as other financing sources for the governmental fund types.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as another financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are charged to current operations rather than being deferred and amortized due to the relatively immaterial effect on the basic financial statements taken as a whole.

## J. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by resolution of the City Council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This is done through resolution of the City Council. This intent can be expressed by the Chief Financial Officer.

- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

## K. Minimum Unassigned Fund Balance

It is the goal of the City to achieve and maintain an unassigned fund balance in the General Fund equal to three months of that year's budgeted expenditures for both the General and Utility Funds. The City Council may declare a fiscal emergency and withdraw any amount of the unassigned General and Utility Funds' balances for purposes of addressing the fiscal emergency. Any such action must also provide for necessary appropriations to restore the designated fund balance to the balance within a three-year period.

## L. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

## M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refundings - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.

- Difference in expected actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from four sources: property taxes, municipal fines and ambulance fees, and a note payable from the component unit. These amounts are deferred and recognized as an inflow of resources in that period that the amounts become available. The City also had a deferred inflow of resources for the following:

- Difference in projected and actual earnings on pension assets. The difference will be amortized over a closed five year period.

## N. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

## O. Risk Management

Insurance coverage for property, liability and workers' compensation is provided by the Texas Municipal League Intergovernmental Risk Pool, a state insurance pool. Contributions to the Risk Pool for workers' compensation are based on the City's past claims history. The Risk Pool is self-sustaining through members' contributions and maintains insurance to limit risk of loss with an external insurance company. Settlement claims have not exceeded aggregate limits in the past three fiscal years.

## P. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

## 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, "Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $(15,003,862) difference are as follows:

| | |
|---|---|
| Bonds payable | $( 13,230,000) |
| Bond premiums | ( 238,957) |
| Capital leases payable | ( 597,110) |
| Accrued interest payable | ( 80,554) |
| Compensated absences | ( 857,241) |
| Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities* | $( 15,003,862) |

### Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $888,827 difference are as follows:

| | |
|---|---|
| Capital outlay | $ 4,392,545 |
| Capital contributions | 1,196,005 |
| Depreciation expense | ( 4,699,723) |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities* | $ 888,827 |

Another element of that reconciliation states, "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this $(524,583) difference are as follows:

| | |
|---|---|
| Property taxes | $ 63,420 |
| Ambulance revenue | 11,992 |
| Adjudicated fines | 5 |
| CEDC | ( 600,000) |
| Net adjustment to *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities* | $( 524,583) |

Another element of that reconciliation states, "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." Neither transaction, however, has any effect on net position. The details of this $1,610,347 difference are as follows:

| | |
|---|---|
| Principal payments | $ 2,151,420 |
| Capital lease - proceeds | ( 541,073) |
| Net adjustment to reduce *fund balance -total governmental funds* to arrive at *net position - governmental activities* | $ 1,610,347 |

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds." The details of this $(5,605) difference are as follows:

| | |
|---|---|
| Compensated absences | $( 17,606) |
| Accrued interest | 12,001 |
| Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities* | $( 5,605) |

## 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. Budgetary Information

The City Council follows these procedures in establishing budgetary data reflected in the basic financial statements:

(1) Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

(2) Public hearings are conducted to obtain taxpayer comments.

(3) Prior to September 30, the budget is legally enacted through passage of an ordinance.

(4) The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

(5) Formal budgetary integration is employed as a management control device during the year for the General, Debt Service, and Enterprise Funds. Budgetary control is maintained at the fund level.

Internal budgets prepared for various boards are reviewed by the City Council for expenditures of Special Revenue Funds. These budgeted expenditures are not formally adopted by the City Council. No budgets were prepared for revenue of these funds for the year ended September 30, 2017.

(6) Budgets for the General and the Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Formal budgeted amounts are as amended by the City Council for the General, Debt Service and Enterprise Funds.

(7) Budgetary data for the Capital Projects Fund has not been presented in the accompanying basic financial statements, as such funds are budgeted over the life of the respective project and not on an annual basis. Accordingly, formal budgetary integration of the Capital Projects Fund is not employed and comparison of actual results of operations to budgetary data for such fund is not presented.

(8) Budgetary data for the Enterprise and Drainage Utility Funds has not been presented since the reporting on such budgets is not legally required.

**Expenditures Over Appropriations**

Fire and rescue, and capital outlay expenditures in the general fund exceeded appropriations by $320,424, and $572,692. This overage was funded by under spending in other functions. The debt service fund had expenditures in excess of appropriations of $115,780. This was due to the down payment for the fire truck lease purchase agreement being budgeted in fiscal year 2016, but actually delivered in fiscal year 2017.

## 4. DETAILED NOTES ON ALL FUNDS

**Deposits and Investments**

In fiscal year 2016, the City adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application.* GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. As of September 30, 2017, the City held the following fair value measurements:

| | | Fair Value Measurement Using | | | Percent of Total Portfolio | Weighted Average Maturity (Days) |
|---|---|---|---|---|---|---|
| | 9/30/2017 | (Level 1) | (Level 2) | (Level 3) | | |
| **Primary government** | | | | | | |
| **Cash and cash equivalents** | | | | | | |
| Cash deposits - City | $ 23,857,404 | $ - | $ - | $ - | | |
| Cash deposits - trust and agency | 25,246 | - | - | - | | |
| **Total cash and cash equivalents** | 23,882,650 | - | - | - | | |
| **Investments measured at net asset value per share:** | | | | | | |
| Investment pools: | | | | | | |
| LOGIC | 14,528,736 | - | - | - | 42.20% | 34 |
| **Investments in certictes of deposits** | | | | | | |
| Certificates of deposits | 4,591,089 | - | - | - | | |
| **Investments by fair value level:** | | | | | | |
| Debt securities: | | | | | | |
| Federal Farm Credit Bonds | 5,528,506 | - | 5,528,506 | - | 16.06% | 100 |
| Federal Home Loan Bank Bonds | 4,289,321 | 1,249,754 | 3,039,567 | - | 12.46% | 88 |
| Federal Home Loan Mortgage Corporation | 3,488,592 | 3,488,592 | - | - | 10.13% | 56 |
| Federal National Mortgage Association | 1,998,335 | 999,887 | 998,448 | - | 5.80% | 12 |
| **Total investments** | 34,424,579 | 5,738,233 | 9,566,521 | - | | |
| **Total cash and investments of the primary government** | $ 58,307,229 | $ 5,738,233 | $ 9,566,521 | $ - | | |
| Portfolio weighted average maturity (days) | | | | | | 62 |
| **Component unit** | | | | | | |
| Cash deposits | $ 2,969 | $ - | $ - | $ - | | |
| LOGIC | 13,557,343 | - | - | - | 39.38% | 34 |
| Federal Farm Credit Bonds | 2,352,387 | - | 2,352,387 | - | 6.83% | 100 |
| Federal Home Loan Bank Bonds | 3,049,207 | 1,699,745 | 1,349,462 | - | 8.86% | 88 |
| **Total cash and investments of the component** | 18,961,906 | 1,699,745 | 3,701,849 | - | | |
| **Total cash and investments of the reporting entity** | $ 77,269,135 | $ 7,437,978 | $ 13,268,370 | $ - | | |

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

U.S. Government Agency Securities classified as Level 1 of the fair value hierarchy are valued using the documented trade history in exact security pricing model.

$6,181,200 of U.S. Government Agency Securities classified as Level 2 of the fair value hierarchy are valued using the documented trade history in exact security pricing model. $1,199,700 of U.S. Government Agency Securities classified as Level 2 of the fair value hierarchy are valued using the option-adjusted discounted cash flow model. $5,887,470 of U.S. Government Agency Securities classified as Level 2 of the fair value hierarchy are valued using the present value of expected future cash flow model.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U. S. Treasury, certain U. S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

The LOGIC pool has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state emergency that affects the pool's liquidity.

***Interest Rate Risk.*** In accordance with its investment policy, the government manages its exposure to declines in fair market values by limiting the average dollar weighted maturity of its investment portfolios to a maximum of 540 days.

***Custodial Credit Risk.*** The City maintains a cash and investment pool that combines cash of the various funds in order to maximize investment opportunities. The City's policy and state statutes require that all deposits in financial institutions be insured by the Federal Depository Insurance Corporation (FDIC) or fully collateralized as per the Public Funds Collateral Act. The City's deposits were fully insured or collateralized as required by state statutes as of September 30, 2017.

***Credit Risk.*** It is the City's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The City's investment pools are rated as follows by Standard & Poor's Investors Service.

| | |
|---|---|
| LOGIC | AAAm |
| U. S. Treasuries and Agencies | AA+ |

## Receivables

Receivables as of year-end for the government's individual major funds, nonmajor funds and enterprise funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | Governmental Funds | | | Enterprise Funds | | |
|---|---|---|---|---|---|---|
| | General | Debt Service | Nonmajor Funds | Water and Wastewater | Drainage Utility | Total |
| Receivables: | | | | | | |
| Accounts | $ 304,849 | $ - | $ - | $ 2,391,523 | $ 117,563 | $ 2,813,935 |
| Taxes | 210,003 | 26,894 | - | - | - | 236,897 |
| Due from other governments | 747,877 | 1,793 | 672,227 | - | - | 1,421,897 |
| Loans | 142,500 | 1,880,000 | - | - | - | 2,022,500 |
| Accrued interest | 14,106 | - | 13,244 | 7,324 | 305 | 34,979 |
| Gross receivables | 1,419,335 | 1,908,687 | 685,471 | 2,398,847 | 117,868 | 6,530,208 |
| Less: allowance for uncollectibles | ( 221,314) | - | - | ( 41,220) | - | ( 262,534) |
| Net total receivables | $ 1,198,021 | $ 1,908,687 | $ 685,471 | $ 2,357,627 | $ 117,868 | $ 6,267,674 |

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real property and certain personal property located in the City. The assessed value, net of exemptions, upon which the fiscal 2017 levy was based, was $4,501,835,710.

Property taxes are limited by the Texas constitution to $2.50 per $100 of assessed valuation and by City Charter to $1.50 per $100 valuation. Also, the tax rate set per budget year shall not result in property tax revenue increase greater than seven percent of the total property tax revenue collected in the preceding budget year, adjusted for new construction, unless authorized by the voters of the City at a special election. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2017, was $.3391 per $100 of assessed valuation.

Taxes are due by January 31 following the levy date. Tax collections, including related penalties and interest, was $15,533,114 for the year ended September 30, 2017. Property taxes receivable at September 30, 2017, were $236,897.

The appraisal of property within the City is the responsibility of a countywide appraisal district as required by legislation passed by the Texas Legislature. The appraisal district is required under such legislation to assess all property within the appraisal district on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

## Capital Assets

Capital asset activity for the year ended September 30, 2017, was as follows:

### Primary Government

| | Beginning Balance | Increases | Decreases/ Reclasses | Ending Balance |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 9,178,641 | $ - | $ - | $ 9,178,641 |
| Construction in progress | 661,576 | 3,309,658 | ( 1,661,303) | 2,309,931 |
| Total assets not being depreciated | 9,840,217 | 3,309,658 | ( 1,661,303) | 11,488,572 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 49,775,646 | 29,680 | 595,232 | 50,400,558 |
| Machinery and equipment | 12,404,954 | 1,053,206 | ( 585,348) | 12,872,812 |
| Infrastructure | 95,872,787 | 1,196,006 | 1,066,071 | 98,134,864 |
| Total capital assets being depreciated | 158,053,387 | 2,278,892 | 1,075,955 | 161,408,234 |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | ( 18,981,354) | ( 1,652,831) | - | ( 20,634,185) |
| Machinery and equipment | ( 9,499,187) | ( 1,083,595) | 585,348 | ( 9,997,434) |
| Improvements other than buildings | ( 28,234,489) | ( 1,963,297) | - | ( 30,197,786) |
| Total accumulated depreciation | ( 56,715,030) | ( 4,699,723) | 585,348 | ( 60,829,405) |
| Total capital assets being depreciated, net | 101,338,357 | ( 2,420,831) | 1,661,303 | 100,578,829 |
| Governmental activities capital assets, net | $ 111,178,574 | $ 888,827 | $ - | $ 112,067,401 |

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Business-type activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 304,839 | $ - | $ - | $ 304,839 |
| Construction in progress | - | 1,100,366 | - | 1,100,366 |
| Total assets not being depreciated | 304,839 | 1,100,366 | - | 1,405,205 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 53,922 | - | - | 53,922 |
| Machinery and equipment | 1,966,904 | 52,377 | - | 2,019,281 |
| Improvements other than buildings | 79,044,264 | 688,363 | - | 79,732,627 |
| Total capital assets being depreciated | 81,065,090 | 740,740 | - | 81,805,830 |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | ( 50,817) | ( 622) | - | ( 51,439) |
| Machinery and equipment | ( 1,403,068) | ( 240,622) | - | ( 1,643,690) |
| Improvements other than buildings | ( 34,849,004) | ( 1,968,110) | - | ( 36,817,114) |
| Total accumulated depreciation | ( 36,302,889) | ( 2,209,354) | - | ( 38,512,243) |
| Total capital assets being depreciated, net | 44,762,201 | ( 1,468,614) | - | 43,293,587 |
| Business-type activities capital assets, net | $ 45,067,040 | $( 368,248) | $ - | $ 44,698,792 |

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Component unit:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Construction in progress | $ 9,418,864 | $ 3,236,759 | $ - | $ 12,655,623 |
| Total assets not being depreciated | 9,418,864 | 3,236,759 | - | 12,655,623 |
| Capital assets, being depreciated: | | | | |
| Improvements other than buildings | 6,879,118 | ( 582) | - | 6,878,536 |
| Total capital assets being depreciated | 6,879,118 | ( 582) | - | 6,878,536 |
| Less accumulated depreciation: | | | | |
| Improvements other than buildings | ( 404,390) | ( 141,755) | - | ( 546,145) |
| Total accumulated depreciation | ( 404,390) | ( 141,755) | - | ( 546,145) |
| Total capital assets being depreciated, net | 6,474,728 | ( 142,337) | - | 6,332,391 |
| Component unit capital assets, net | $ 15,893,592 | $ 3,094,422 | $ - | $ 18,988,014 |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|---|---|
| Governmental activities: | |
| General government | $ 447,322 |
| Fire and rescue | 478,907 |
| Leisure services | 1,178,645 |
| Maintenance | 16,064 |
| Police | 557,120 |
| Streets and drainage | 2,021,665 |
| Total depreciation expense - governmental activities | $ 4,699,723 |
| Business-type activities: | |
| Water and wastewater | $ 2,078,365 |
| Drainage utility | 130,989 |
| Total depreciation expense - business-type activities | $ 2,209,354 |

## Construction Commitments

The government has active construction projects as of September 30, 2017. The major projects are listed as follows:

| Project | Spent-to-date | Remaining Commitment |
|---|---|---|
| Bedford Road Retaining Wall | $ 951,988 | $ 228,175 |
| Frontier Court Drainage | 41,600 | 6,400 |
| Glade Road Design Phase 1 | 650,852 | 13,513 |
| Glade Road ROW Phase 1 Consultant | 251,148 | 1,907 |
| Glad Road ROW Phase 1 Acquisition | 879,928 | 45,072 |
| Glade Road Reconstruction Phase 1 | 1,059,029 | 944,317 |
| Glade Road Design Phases 2-4 | 553,611 | 388,519 |
| Pleasant Run - John McCain to Shelton - Design | 311,907 | 35,593 |
| Water Project 9: Misc. Repairs to Elevated Storage Tanks | - | 226,600 |
| Glade Road PH II ROW Consultant | - | 132,500 |
| John McCain Rehabilitation | 103,733 | 1,543,489 |
| Pleasant Run - Rehabilitation | 1,609,603 | 3,328,958 |
| Water Project 11: John McCain 12" Water Line Replacement | 321,272 | 124,728 |
| Water Project 8: Pressure Relief and Flow Control Valves Design | 1,740 | 49,600 |
| WW Project 3: Replacement Pipelines on Manning Dr. Design | 12,400 | 7,600 |
| Total | $ 6,748,811 | $ 7,076,971 |

## Interfund Transactions

The composition of interfund transfers as of September 30, 2017, is as follows:

### Interfund Transfers

| | Transfer In | | | | |
|---|---|---|---|---|---|
| | General | Capital Projects | Debt Service | Nonmajor Government Funds | Total |
| Transfer Out: | | | | | |
| General | $ - | $ 3,007,012 | $ - | $ 428,705 | $ 3,435,717 |
| Nonmajor governmental | - | - | 503,862 | 10,000 | 513,862 |
| Capital projects | - | - | - | 30,796 | 30,796 |
| Water and wastewater | - | - | - | 44,287 | 44,287 |
| Drainage fee | - | - | - | 19,032 | 19,032 |
| Total Transfers Out | $ - | $ 3,007,012 | $ 503,862 | $ 532,820 | $ 4,043,694 |

The transfer of $3,007,012 from the General Fund to the Capital Projects and nonmajor governmental funds represents transfers for capital replacement. The transfer of $503,862 from the Crime District to the Debt Service Fund is for the repayment of debt. All principal and interest is paid from the Debt Service Fund.

## Long-term Liabilities

### General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued in prior years was $35,540,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

| Purpose | Interest Rates | Amount |
|---|---|---|
| Governmental activities | 2% - 5% | $ 13,230,000 |
| | | $ 13,230,000 |

Long-term liability activity for the year ended September 30, 2017, was as follows:

| | Balance September 30, 2016 | Additions | Retirements | Balance September 30, 2017 | Amounts Due Within One Year |
|---|---|---|---|---|---|
| **Governmental activities** | | | | | |
| General obligation bonds and certificates of obligation | $ 8,550,000 | $ - | $ 1,425,000 | $ 7,125,000 | $ 1,460,000 |
| Premium on bonds | 239,163 | - | 206 | 238,957 | - |
| Sales tax revenue bonds | 6,525,000 | - | 420,000 | 6,105,000 | 425,000 |
| Capital lease obligations | 362,251 | 541,073 | 306,214 | 597,110 | 138,732 |
| Net pension obligation | 199,843 | 1,176,747 | 828,813 | 547,777 | - |
| Compensated absences | 839,635 | 513,460 | 495,854 | 857,241 | 53,550 |
| Total governmental activities | 16,715,892 | 2,231,280 | 3,476,087 | 15,471,085 | 2,077,282 |
| **Business-type activities** | | | | | |
| Revenue bonds and certificates of obligation | 1,090,000 | - | 460,000 | 630,000 | 265,000 |
| Premium on bonds | 49,878 | - | 24,939 | 24,939 | - |
| Net pension obligation | 27,023 | 158,922 | 111,925 | 74,020 | - |
| Compensated absences | 91,374 | 61,597 | 67,017 | 85,954 | 15,565 |
| Total business-type activities | 1,258,275 | 220,519 | 663,881 | 814,913 | 280,565 |
| Total primary government | $ 17,974,167 | $ 2,451,799 | $ 4,139,968 | $ 16,285,998 | $ 2,357,847 |
| **Component unit** | | | | | |
| Tax increment financing fund Note payable to primary government | $ 2,480,000 | $ - | $ 600,000 | $ 1,880,000 | $ 610,000 |
| Bond premium | 96,161 | - | 24,040 | 72,121 | - |
| Total component unit | $ 2,576,161 | $ - | $ 624,040 | $ 1,952,121 | $ 610,000 |

For the governmental activities, compensated absences are generally liquidated by the General Fund.

Governmental activities long-term liabilities at September 30, 2017, consisted of the following:

General obligation bonds and certificates of obligation serviced by property tax revenue:

| | |
|---|---|
| $2,915,000 Series 2006 General Obligation Refunding bonds due in annual installments of $25,000 to $540,000 through February 15, 2019; interest at 3.64%. | $ 1,050,000 |
| $4,325,000 Series 2007 General Obligation Bonds due in annual installments of $50,000 to $555,000 through February 15, 2027; interest at 4.00% to 5.00%. Partially refunded in 2016. | - |
| $1,435,000 Series 2011 General Obligation Refunding Bonds due in annual installments of $135,000 to $800,000 through February 15, 2020; interest at 2.00% to 4.00%. | 480,000 |
| $6,225,000 Series 2016 General Obligation Refunding Bonds due in annual installments of $475,000 to $875,000 through February 15, 2027; interest at 2.00% to 3.00%. | 5,595,000 |
| Total General Obligation Bonds and Certificates of Obligation | $ 7,125,000 |
| $9,570,000 Series 2013 Colleyville Economic Development Corporation Refunding and Improvement Sales Tax Revenue Bonds due in annual installments of $340,000 to $635,000 through February 15, 2029; interest at 2.88% | $ 6,105,000 |
| Total Revenue Bonds | $ 6,105,000 |

Business-type activities long-term liabilities at September 30, 2017, consisted of the following:

Water and Wastewater Fund:

| | |
|---|---|
| $1,890,000 Series 2010 Waterworks and Wastewater System Refunding Bonds due in annual installments of $155,000 to $580,000 through January 1, 2018; interest at 2.00% - 3.00%. | $ 155,000 |
| Total Water and Wastewater Fund | $ 155,000 |

Drainage Utility Fund:

| | |
|---|---|
| $1,135,000 Series 2011 Waterworks and Wastewater System Refunding Bonds due in annual installments of $105,000 to $225,000 through February 15, 2021; interest at 3.47%. | $ 475,000 |
| Total Drainage Utility Fund | $ 475,000 |
| Total Business-type activities | $ 630,000 |

The ordinances authorizing the issuance of Waterworks and Wastewater System Revenue Bonds created the Interest and Sinking Fund and Reserve Fund. The gross revenue of the waterworks and wastewater system, after deduction of reasonable expenses of operations and maintenance, are pledged to such funds in amounts equal to the total annual principal and interest requirements of the bonds and amounts required to maintain the Reserve Fund. At September 30, 2017, the City was in compliance with these requirements.

The City's component unit, the Tax Increment Financing District, long-term liabilities at September 30, 2017, consisted of the following:

| | |
|---|---|
| Tax Increment Financing District | |
| $2,480,000 Note Payable to Primary Government due in annual installments of $600,000 to $645,000 through February 15, 2020; interest at 2.00% to 4.00%. | $ 1,880,000 |
| Total Tax Increment Financing District | $ 1,880,000 |

**Governmental Activities**

| | General Obligation Bonds and Certificates of Obligation | | Revenue Bonds | |
|---|---|---|---|---|
| September 30, | Principal | Interest | Principal | Interest |
| 2018 | $ 1,460,000 | $ 177,838 | $ 425,000 | $ 169,704 |
| 2019 | 1,510,000 | 133,128 | 445,000 | 157,176 |
| 2020 | 1,045,000 | 91,425 | 460,000 | 144,144 |
| 2021 | 410,000 | 68,750 | 470,000 | 130,752 |
| 2022 | 425,000 | 56,225 | 490,000 | 130,752 |
| 2023-2027 | 2,275,000 | 117,925 | 2,645,000 | 363,528 |
| 2023-2027 | - | - | 1,170,000 | 33,984 |
| | $ 7,125,000 | $ 645,291 | $ 6,105,000 | $ 1,130,040 |

**Business-type Activities**

| | Revenue Bonds | |
|---|---|---|
| September 30, | Principal | Interest |
| 2018 | $ 265,000 | $ 16,899 |
| 2019 | 115,000 | 10,670 |
| 2020 | 125,000 | 6,506 |
| 2021 | 125,000 | 2,169 |
| | $ 630,000 | $ 36,244 |

**Discretely Presented Component Unit -**
**Tax Increment Financing Fund**

| September 30, | Revenue Bonds Principal | Interest |
|---|---|---|
| 2018 | $ 610,000 | $ 44,200 |
| 2019 | 625,000 | 28,725 |
| 2020 | 645,000 | 9,675 |
| | $ 1,880,000 | $ 82,600 |

## Capital Leases

The City has entered into lease agreements as lessee for financing and acquisition of equipment for the Fire Department. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of its future minimum lease payments as of the inception date.

On October 10, 2016 the City entered into a capital lease agreement for a 2017 Pierce Impel Pumper Fire Engine. The total amount financed was $541,073. The City will make annual payments of $48,485 through October 2025 at an interest rate of 2.883%.

The assets acquired through capital leases are as follows:

| | Governmental Activities |
|---|---|
| Asset: | |
| Machinery and equipment | $ 1,694,191 |
| Less: accumulated depreciation | ( 900,174) |
| Total | $ 794,017 |

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2017, were as follows:

| | Governmental Activities |
|---|---|
| 2018 | $ 165,323 |
| 2019 | 165,323 |
| 2020 | 48,484 |
| 2021 | 48,484 |
| 2022 | 48,484 |
| 2023-2027 | 193,945 |
| Total minimum lease payments | 670,043 |
| Less: amount representing interest | ( 72,933) |
| Present value of minimum lease payments | $ 597,110 |

## Defined Benefit Pension Policies

### Plan Descriptions

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at *www.tmrs.org*.

All eligible employees of the City are required to participate in TMRS.

### Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

A summary of plan provisions for the City are as follows:

| | |
|---|---|
| Employee deposit rate | 7% |
| Matching ratio (City to employee) | 2 to 1 |
| Years required for vesting | 5 |
| Service retirement eligibility | 20 years to any age,<br>5 years at age 60 and above |
| Updated service credit | 100% repeating, transfers |
| Annuity increase to retirees | 0% of CPI |

***Employees covered by benefit terms***

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 111 |
| Inactive employees entitled to but not yet receiving benefits | 130 |
| Active employees | 186 |
| | 427 |

**Contributions**

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are with 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contributions rate for each city is determined as the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 7.73% and 8.57% in calendar years 2016 and 2017, respectively. The city's contributions to TMRS for the year ended September 30, 2017, were $1,048,848, and were equal to the required contributions.

**Net Pension Liability**

The city's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

***Actuarial assumptions:***

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---|---|
| Inflation | 2.5% per year |
| Overall payroll growth | 3.0% per year |
| Investment Rate of Return | 6.75%, net of pension plan investment expense, including inflation |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the city, rates are multiplied by a factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustments are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year-set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period of December 31, 2010 through December 31, 2014. Healthy post-retirement morality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering the 2009 through 2011, and the dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These rangers are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major assets class in fiscal year 2017 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|---|---|---|
| Domestic Equity | 17.5% | 4.55% |
| International Equity | 17.5% | 6.35% |
| Core Fixed Income | 10.0% | 1.00% |
| Non-Core Fixed Income | 20.0% | 4.15% |
| Real Return | 10.0% | 4.15% |
| Real Estate | 10.0% | 4.75% |
| Absolute Return | 10.0% | 4.00% |
| Private Equity | 5.0% | 7.75% |
| Total | 100.0% | |

***Discount Rate***

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statue. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

***Changes in the Net Pension Liability***

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balance at 12/31/2015 | $ 49,029,491 | $ 48,802,624 | $ 226,867 |
| Changes for the year: | | | |
| Service cost | 1,920,420 | - | 1,920,420 |
| Interest | 3,302,291 | - | 3,302,291 |
| Difference between expected and actual experience | 205,568 | - | 205,568 |
| Changes of assumptions | - | - | - |
| Contributions - employer | - | 922,484 | ( 922,484) |
| Contributions - employee | - | 851,897 | ( 851,897) |
| Net investment income | - | 3,298,224 | ( 3,298,224) |
| Benefit payments, including refunds of employee contributions | ( 2,133,755) | ( 2,133,755) | - |
| Administrative expense | - | ( 37,249) | 37,249 |
| Other changes | - | ( 2,007) | 2,007 |
| Net changes | 3,294,524 | 2,899,594 | 394,930 |
| Balance at 12/31/2016 | $ 52,324,015 | $ 51,702,218 | $ 621,797 |

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) of 1-percentage-higher (7.75%) than the current rate:

| | 1% Decrease in Discount Rate (5.75%) | Discount Rate (6.75%) | 1% Increase in Discount Rate (7.75%) |
|---|---|---|---|
| City's net pension liability | $ 7,954,436 | $ 621,797 | $( 5,419,645) |

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. The report may be obtained on the Internet at *www.tmrs.org*.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** For the year ended September 30, 2017, the City recognized pension expense of $2,160,659.

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual economic experience | $ 213,407 | $ 32,197 |
| Changes in actuarial assumptions | 544,197 | - |
| Difference between projected and actual investment earnings | 2,243,649 | - |
| Contributions subsequent to the measurement date | 806,912 | - |
| Total | $ 3,808,165 | $ 32,197 |

$806,912 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

| Year ended September 30, | |
|---|---|
| 2018 | $ 1,044,766 |
| 2019 | 1,040,385 |
| 2020 | 855,222 |
| 2021 | 28,682 |
| | $ 2,969,055 |

## Tax Abatements

The City negotiates Chapter 380 sales tax rebate agreements on an individual basis. The City has tax rebate agreements with one entity as of September 30, 2017:

| Purpose | Percentage of Taxes Abated during the Fiscal Year | Amount of Taxes Abated during the Fiscal Year |
|---|---|---|
| Company desires to purchase and use new building materials within the City that will generate additional sales and use tax revenue for the City | 80% | $ 10,329 |

## Water and Wastewater Contracts

The City has two contracts with the Trinity River Authority of Texas (TRA) for the purchase of treated water and for the transportation, treatment and disposal of sanitary sewage and other waste. The initial term of the contracts are 35 years (water – April 2014) and 50 years (wastewater – November 2023), however both contain language that they will continue in effect until all related bonds and refunding bonds in lieu of debt have been paid. While the provisions of each of the contracts vary, each contract basically requires the City to pay varying amounts based on the costs associated with water purchased and sewage transported and/or treated and disposed. The cost includes the City's proportionate share of TRA's operating and maintenance expenses, related debt service costs, and certain other miscellaneous charges. Purchases of treated water and charges for the transportation, treatment and disposal of sewage and other wastes during fiscal year 2017 amounted to approximately $7,588,127 and $2,624,416, respectively.

## Contingent Liabilities

The City has been named as a defendant or co-defendant in a number of legal actions. While the outcome of these cases is not known at this time, City management believes that any awards to insured parties which must be paid in excess of amounts covered by insurance will not be material to the financial position of the City.

## Risk Financing and Insurance

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year 1974, the City joined the Texas Municipal League Workers Compensation Joint Insurance Fund for risks related to employees. During the fiscal year 1992, the City joined the Texas Municipal League Joint Insurance Fund for risks related to general liability, property and errors and omissions. Premiums are paid to the Pool, which retains a limit of loss. Reinsurance companies insure the risks beyond those limits. The City retains, as a risk, only the deductible amount of each policy. There have been no significant reductions in insurance coverage and no settlements exceeded insurance coverage in the past three fiscal years.

## Other Postemployment Benefits

### Supplemental Death Benefits Fund

The City also participates in the cost sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance to provide group term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended 2017, 2016, and 2015 were $18,793, $18,639, and $17,776, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates

| Accounting Year Ending | Annual Required Contribution (Rate) | Actual Contribution Made (Rate) | Percentage of ARC Contributed |
|---|---|---|---|
| 09/30/15 | 0.15% | 0.15% | 100% |
| 09/30/16 | 0.15% | 0.15% | 100% |
| 09/30/17 | 0.15% | 0.15% | 100% |

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# REQUIRED
# SUPPLEMENTARY INFORMATION

# CITY OF COLLEYVILLE, TEXAS

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

### FOR THE YEAR ENDED SEPTEMBER 30, 2017

| Plan Year | 2014 | 2015 | 2016 |
|---|---|---|---|
| **A. Total pension liability** | | | |
| Service Cost | $ 1,598,908 | $ 1,820,192 | $ 1,920,420 |
| Interest (on the Total Pension Liability) | 2,938,763 | 3,149,676 | 3,302,291 |
| Difference between expected and actual experience | 136,216 | ( 55,444) | 205,568 |
| Changes in assumptions | - | 937,119 | - |
| Benefit payments, including refunds of employee contributions | ( 1,728,299) | ( 1,814,665) | ( 2,133,755) |
| Net change in total pension liability | 2,945,588 | 4,036,878 | 3,294,524 |
| Total pension liability - beginning | 42,047,025 | 44,992,613 | 49,029,491 |
| Total pension liability - ending (a) | $ 44,992,613 | $ 49,029,491 | $ 52,324,015 |
| **B. Plan fiduciary net position** | | | |
| Contributions - Employer | $ 745,874 | $ 903,631 | $ 922,484 |
| Contributions - Employee | 763,324 | 822,553 | 851,897 |
| Net Investment Income | 2,657,437 | 72,103 | 3,298,224 |
| Benefit payments, including refunds of employee contributions | ( 1,728,299) | ( 1,814,665) | ( 2,133,755) |
| Administrative Expenses | ( 27,747) | ( 43,918) | ( 37,249) |
| Other | ( 2,281) | ( 2,170) | ( 2,007) |
| Net change in plan fiduciary net position | 2,408,308 | ( 62,466) | 2,899,594 |
| Plan fiduciary net position - beginning | 46,456,782 | 48,865,090 | 48,802,624 |
| Plan fiduciary net position - ending (b) | $ 48,865,090 | $ 48,802,624 | $ 51,702,218 |
| **C. Net pension liability - ending (a) - (b)** | $( 3,872,477) | $ 226,867 | $ 621,797 |
| **D. Plan fiduciary net position as a percentage of total pension liability** | 108.61% | 99.54% | 98.81% |
| **E. Covered employee payroll** | $ 10,904,635 | $ 11,750,753 | $ 12,169,964 |
| **F. Net position liability as a percentage of covered employee payroll** | -35.51% | 1.93% | 5.11% |

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

# CITY OF COLLEYVILLE, TEXAS

## SCHEDULE OF CONTRIBUTIONS

## FOR THE YEAR ENDED SEPTEMBER 30, 2017

| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|
| Actuarial determined contribution | $ 738,034 | $ 868,363 | $ 941,907 | $ 1,048,848 |
| Contributions in relation to the actuarially determined contribution | 738,034 | 868,363 | 941,907 | 1,048,848 |
| Contribution deficiency (excess) | - | - | - | - |
| Covered employee payroll | 10,707,890 | 11,640,489 | 12,281,471 | 12,528,384 |
| Contributions as a percentage of covered employee payroll | 6.89% | 7.46% | 7.67% | 8.37% |

### NOTES TO SCHEDULE OF CONTRIBUTIONS

**Valuation Date:** Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

**Methods and Assumptions Used to Determine Contribution Rates:**

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | 25 years |
| Asset Valuation Method | 10 Year smoothed market; 15% soft corridor |
| Inflation | 2.50% |
| Salary Increases | 3.50% to 10.5% including inflation |
| Investment Rate of Return | 6.75% |
| Retirement Age | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014. |
| Mortality | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis of with scale BB. |

**Other Information:**

Notes: There were no benefit changes during the year.

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

## SPECIAL REVENUE FUNDS

***Special Revenue Funds*** are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

***Voluntary Park*** – This fund is used to account for the operations for which voluntary contributions by citizens are used. Contributions are used primarily to support park activities.

***Voluntary Library*** – This fund is used to account for the operations for which voluntary contributions by citizens are used. Contributions are used primarily to support library activities.

***Police Asset Forfeiture*** –This fund is used to account for activity related to seizure of assets in criminal-related activities.

***Tree Preservation*** – This fund is used to account for operations related to replacement of trees, which are eliminated due to commercial development. Contributions are received from entities that are developing the property.

***Library Donation*** – This fund is used to account for private and corporate donations for capital purchases related to the library building for the City.

***Recreational Event*** – This fund is used to account for activities related to special events for the City.

***Colleyville Center Development*** – This fund is used to account for contributions received to construct a community center.

***Recycling*** – This fund is used to account for the promotion of recycling activities in the City of Colleyville. Contributions are received from the holder of the City's recycling franchise.

***LEOSE (Law Enforcement Officer Standards and Education)*** – This fund is used to account for activities related to the continuing education of qualified law enforcement officers as funded by the State of Texas LEOSE Account.

***Colleyville Economic Development*** – This fund is used to account for the use of bond proceeds and sales tax revenues for municipal park improvements, the purchase of land and equipment for additional neighborhood parks and for the construction of a community center and library.

***Crime District*** – This fund is used to account for the Colleyville Crime Control and Prevention District formed to act on behalf of the City for financing the development of crime control throughout the City.

***Kidsville Maintenance*** **–** This fund is used to account for contributions received for the maintenance of Kidsville Playground.

***Special Donations*** **–** This fund is used to account for various donations made to the City for specific projects.

***Court Technology*** **–** This fund is used to account for the collection and use of fines collected to be specifically used on technology for the court.

***Court Security*** **–** This fund is used to account for the collection and use of fines collected to be specifically used for court security purposes.

***TDPA Grant*** **–** This fund is used to account for grant proceeds received for the acquisition of equipment and expenditures relating to fire and rescue.

***Public Art*** **–** This fund is used to account for the acquisition of art to be placed in City owned facilities with high public visibility.

***Juvenile Case Manager*** **–** This fund is used to account for staff, whose primary role is handling juvenile defendants in terms of teen court dockets, all school violations including truancy, failure to attend school and parental noncompliance violations, and mandatory classes for drug, tobacco and alcohol defendants, as permitted by state statute.

***Hotel Tax Fund*** – This fund is used to account for all hotel occupancy tax revenues which are restricted by state statute and can only be used on expenditures related to tourism activities.

## CAPITAL PROJECTS FUNDS

***Capital Projects Funds*** are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

***Colleyville Tomorrow Fund*** **–** is used to account for proceeds received on gas leases on City-owned property to be used for capital purchases.

***Parks Tomorrow Fund*** **–** This fund is used to account for proceeds received on gas leases on City-owned parks property for parks capital projects.

***Park Land Dedication Fund*** **–** This fund is used to account for the acquisition of land for new park sites and to make improvements to or expand existing parks to better serve new development. Fees collected from the developers of residential and commercial development finance the improvements.

***Colleyville Economic Development Corporation (CEDC)*** **–** This fund is used to account for financial resources to be used for the acquisition or construction or CEDC capital facilities. Financing is provided primarily by the revenue from certificate of obligation bonds.

***Vehicle/Equipment Replacement*** **–** This fund is used to account for the replacement of vehicle and other capital equipment.

# CITY OF COLLEYVILLE, TEXAS

## COMBINING BALANCE SHEET

## NONMAJOR GOVERNMENTAL FUNDS

## SEPTEMBER 30, 2017

| | Special Revenue Funds | | |
|---|---|---|---|
| | Voluntary Park | Voluntary Library | Police Asset Forfeiture |
| **ASSETS** | | | |
| Cash and cash equivalents | $ 26,248 | $ 70,775 | $ 9,077 |
| Investments | 849,518 | 358,949 | - |
| Due from other governments | - | - | - |
| Accrued interest | 614 | 1,687 | - |
| Total assets | 876,380 | 431,411 | 9,077 |
| **LIABILITIES** | | | |
| Accounts payable | - | 2,383 | - |
| Accrued liabilities | - | - | - |
| Total liabilities | - | 2,383 | - |
| **FUND BALANCES** | | | |
| Restricted | - | - | 9,077 |
| Committed | 876,380 | 429,028 | - |
| Assigned | - | - | - |
| Total fund balances | 876,380 | 429,028 | 9,077 |
| Total liabilities and fund balances | $ 876,380 | $ 431,411 | $ 9,077 |

| Special Revenue Funds | | | | | |
|---|---|---|---|---|---|
| Tree Preservation | Library Donation | Recreational Event | Colleyville Center Development | Recycling | LEOSE |
| $ 311,696 | $ 138,573 | $ 10,701 | $ - | $ - | $ 3,397 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 311,696 | 138,573 | 10,701 | - | - | 3,397 |
| - | 1,278 | - | - | - | - |
| - | - | - | - | - | - |
| - | 1,278 | - | - | - | - |
| - | 137,295 | - | - | - | 3,397 |
| 311,696 | - | - | - | - | - |
| - | - | 10,701 | - | - | - |
| 311,696 | 137,295 | 10,701 | - | - | 3,397 |
| $ 311,696 | $ 138,573 | $ 10,701 | $ - | $ - | $ 3,397 |

# CITY OF COLLEYVILLE, TEXAS

## COMBINING BALANCE SHEET

## NONMAJOR GOVERNMENTAL FUNDS
## (Continued)
## SEPTEMBER 30, 2017

| | Special Revenue Funds | | |
|---|---|---|---|
| | Colleyville Economic Development | Crime District | Kidsville Maintenance |
| **ASSETS** | | | |
| Cash and cash equivalents | $ 2,404,845 | $ 1,274,683 | $ 8,408 |
| Investments | 1,497,107 | - | - |
| Due from other governments | 328,494 | 286,357 | - |
| Accrued interest | 6,715 | - | - |
| Total assets | 4,237,161 | 1,561,040 | 8,408 |
| **LIABILITIES** | | | |
| Accounts payable | 12,450 | 45 | - |
| Accrued liabilities | 3,180 | 10,045 | - |
| Total liabilities | 15,630 | 10,090 | - |
| **FUND BALANCES** | | | |
| Restricted | 4,221,531 | 1,550,950 | 8,408 |
| Committed | - | - | - |
| Assigned | - | - | - |
| Total fund balances | 4,221,531 | 1,550,950 | 8,408 |
| Total liabilities and fund balances | $ 4,237,161 | $ 1,561,040 | $ 8,408 |

| Special Revenue Funds | | | | | | |
|---|---|---|---|---|---|---|
| Special Donations | Court Technology | Court Security | TDPA Grant | Public Art | Juvenile Case Manager | Hotel Fund |
| $ 61,586 | $ 75,178 | $ 60,113 | $ 8,133 | $ 7,904 | $ 24,538 | $ 88,896 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 57,376 |
| - | - | - | - | - | - | - |
| 61,586 | 75,178 | 60,113 | 8,133 | 7,904 | 24,538 | 146,272 |
| - | - | 2 | - | - | 5 | - |
| - | - | 177 | - | - | 792 | - |
| - | - | 179 | - | - | 797 | - |
| 61,586 | 75,178 | 59,934 | 8,133 | - | 23,741 | 146,272 |
| - | - | - | - | - | - | - |
| - | - | - | - | 7,904 | - | - |
| 61,586 | 75,178 | 59,934 | 8,133 | 7,904 | 23,741 | 146,272 |
| $ 61,586 | $ 75,178 | $ 60,113 | $ 8,133 | $ 7,904 | $ 24,538 | $ 146,272 |

# CITY OF COLLEYVILLE, TEXAS

## COMBINING BALANCE SHEET

## NONMAJOR GOVERNMENTAL FUNDS
## (Continued)
## SEPTEMBER 30, 2017

| | Capital Project Funds | | |
|---|---|---|---|
| | Colleyville Tomorrow | Parks Tomorrow | Park Land Dedication |
| **ASSETS** | | | |
| Cash and cash equivalents | $ 1,884,083 | $ 1,033,637 | $ 250,573 |
| Investments | 474,525 | - | 1,173,994 |
| Due from other governments | - | - | - |
| Accrued interest | 1,228 | - | 1,662 |
| Total assets | 2,359,836 | 1,033,637 | 1,426,229 |
| **LIABILITIES** | | | |
| Accounts payable | - | - | - |
| Accrued liabilities | - | - | - |
| Total liabilities | - | - | - |
| **FUND BALANCES** | | | |
| Restricted | - | - | - |
| Committed | 2,359,836 | 1,033,637 | 1,426,229 |
| Assigned | - | - | - |
| Total fund balances | 2,359,836 | 1,033,637 | 1,426,229 |
| Total liabilities and fund balances | $ 2,359,836 | $ 1,033,637 | $ 1,426,229 |

| Capital Project Funds | | |
|---|---|---|
| CEDC Capital Project | Vehicle/ Equipment Replacement | Total Governmental Funds |
| $ 65,794 | $ 585,811 | $ 8,404,649 |
| - | 513,308 | 4,867,401 |
| - | - | 672,227 |
| - | 1,338 | 13,244 |
| 65,794 | 1,100,457 | 13,957,521 |
| - | - | 16,163 |
| - | - | 14,194 |
| - | - | 30,357 |
| - | - | 6,305,502 |
| 65,794 | - | 6,502,600 |
| - | 1,100,457 | 1,119,062 |
| 65,794 | 1,100,457 | 13,927,164 |
| $ 65,794 | $ 1,100,457 | $ 13,957,521 |

# CITY OF COLLEYVILLE, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

## NONMAJOR GOVERNMENTAL FUNDS

## FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Special Revenue Funds | | |
|---|---|---|---|
| | Voluntary Park | Voluntary Library | Police Asset Forfeiture |
| **REVENUES** | | | |
| Taxes | $ - | $ - | $ - |
| Fees and fines | - | - | - |
| Intergovernmental | - | - | - |
| Charges for services | - | - | - |
| Donations | 163,705 | 163,705 | - |
| Investment earnings | 76 | 2,757 | - |
| Miscellaneous | - | - | 7,575 |
| Total revenues | 163,781 | 166,462 | 7,575 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General government | - | - | - |
| Community development and engineering | - | - | - |
| Fire and rescue | - | - | - |
| Leisure services | 108,930 | 150,887 | - |
| Municipal court | - | - | - |
| Police | - | - | 610 |
| Debt service: | | | |
| Principal | - | - | - |
| Interest and other charges | - | - | - |
| Capital outlay | - | - | - |
| Total expenditures | 108,930 | 150,887 | 610 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES** | 54,851 | 15,575 | 6,965 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total other financing sources and uses | - | - | - |
| **NET CHANGE IN FUND BALANCES** | 54,851 | 15,575 | 6,965 |
| **FUND BALANCES, BEGINNING** | 821,529 | 413,453 | 2,112 |
| **FUND BALANCES, ENDING** | $ 876,380 | $ 429,028 | $ 9,077 |

| Special Revenue Funds | | | | | |
|---|---|---|---|---|---|
| Tree Preservation | Library Donation | Recreational Event | Colleyville Center Development | Recycling | LEOSE |
| $ - | $ - | $ - | $ - | $ - | $ - |
| 284,724 | - | - | - | - | - |
| - | 5,783 | - | - | - | 4,012 |
| - | - | - | - | - | - |
| - | 20,874 | 15,568 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 15,000 | - |
| 284,724 | 26,657 | 15,568 | - | 15,000 | 4,012 |
| | | | | | |
| 2,537 | - | - | - | 16,627 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 6,233 | 28,585 | 15,473 | 5,857 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 3,233 |
| | | | | | |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 8,770 | 28,585 | 15,473 | 5,857 | 16,627 | 3,233 |
| | | | | | |
| 275,954 | ( 1,928) | 95 | ( 5,857) | ( 1,627) | 779 |
| | | | | | |
| 21,700 | - | - | - | - | - |
| - | - | - | - | - | - |
| 21,700 | - | - | - | - | - |
| 297,654 | ( 1,928) | 95 | ( 5,857) | ( 1,627) | 779 |
| 14,042 | 139,223 | 10,606 | 5,857 | 1,627 | 2,618 |
| $ 311,696 | $ 137,295 | $ 10,701 | $ - | $ - | $ 3,397 |

# CITY OF COLLEYVILLE, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

## NONMAJOR GOVERNMENTAL FUNDS (Continued) FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Special Revenue Funds | | |
|---|---|---|---|
| | Colleyville Economic Development | Crime District | Kidsville Maintenance |
| **REVENUES** | | | |
| Taxes | $ 1,872,562 | $ 1,681,196 | $ - |
| Fees and fines | - | - | - |
| Intergovernmental | - | - | - |
| Charges for services | - | - | - |
| Donations | - | - | - |
| Investment earnings | 7,099 | 8,719 | - |
| Miscellaneous | - | - | - |
| Total revenues | 1,879,661 | 1,689,915 | - |
| **EXPENDITURES** | | | |
| Current: | | | |
| General government | 63,626 | - | - |
| Community development and engineering | - | - | - |
| Fire and rescue | - | - | - |
| Leisure services | 418,004 | - | 11,829 |
| Municipal court | - | - | - |
| Police | - | 906,665 | - |
| Debt service: | | | |
| Principal | 420,000 | - | - |
| Interest and other charges | 181,872 | - | - |
| Capital outlay | 31,525 | 202,097 | - |
| Total expenditures | 1,115,027 | 1,108,762 | 11,829 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES** | 764,634 | 581,153 | ( 11,829) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | - | - | - |
| Transfers out | - | ( 513,862) | - |
| Total other financing sources and uses | - | ( 513,862) | - |
| **NET CHANGE IN FUND BALANCES** | 764,634 | 67,291 | ( 11,829) |
| **FUND BALANCES, BEGINNING** | 3,456,897 | 1,483,659 | 20,237 |
| **FUND BALANCES, ENDING** | $ 4,221,531 | $ 1,550,950 | $ 8,408 |

| Special Revenue Funds | | | | | | |
|---|---|---|---|---|---|---|
| Special Donations | Court Technology | Court Security | TDPA Grant | Public Art | Juvenile Case Manager | Hotel Fund |
| $ - | $ - | $ - | $ - | $ - | $ - | $ 146,272 |
| - | 21,599 | 16,181 | - | - | 55,105 | - |
| 2,893 | - | - | - | - | - | - |
| - | 21,765 | 8,228 | - | - | - | - |
| 34,890 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 37,783 | 43,364 | 24,409 | - | - | 55,105 | 146,272 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 30,214 | - | - | - | - | - | - |
| 20,059 | - | - | - | - | - | - |
| - | 90,006 | 32,703 | - | - | 56,458 | - |
| 2,993 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 53,266 | 90,006 | 32,703 | - | - | 56,458 | - |
| ( 15,483) | ( 46,642) | ( 8,294) | - | - | ( 1,353) | 146,272 |
| 9,096 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 9,096 | - | - | - | - | - | - |
| ( 6,387) | ( 46,642) | ( 8,294) | - | - | ( 1,353) | 146,272 |
| 67,973 | 121,820 | 68,228 | 8,133 | 7,904 | 25,094 | - |
| $ 61,586 | $ 75,178 | $ 59,934 | $ 8,133 | $ 7,904 | $ 23,741 | $ 146,272 |

# CITY OF COLLEYVILLE, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

## NONMAJOR GOVERNMENTAL FUNDS (Continued) FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Capital Project Funds | | |
|---|---|---|---|
| | Colleyville Tomorrow | Parks Tomorrow | Park Land Dedication |
| **REVENUES** | | | |
| Taxes | $ - | $ - | $ - |
| Fees and fines | - | - | - |
| Intergovernmental | - | - | - |
| Charges for services | - | - | - |
| Donations | - | - | 50,388 |
| Investment earnings | 20,721 | 10,708 | 6,497 |
| Miscellaneous | - | - | - |
| Total revenues | 20,721 | 10,708 | 56,885 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General government | - | - | - |
| Community development and engineering | - | - | - |
| Fire and rescue | - | - | - |
| Leisure services | - | - | - |
| Municipal court | - | - | - |
| Police | - | - | - |
| Debt service: | | | |
| Principal | - | - | - |
| Interest and other charges | - | - | - |
| Capital outlay | - | 13,120 | 406,549 |
| Total expenditures | - | 13,120 | 406,549 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES** | 20,721 | ( 2,412) | ( 349,664) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | 63,318 | - | - |
| Transfers out | - | - | - |
| Total other financing sources and uses | 63,318 | - | - |
| **NET CHANGE IN FUND BALANCES** | 84,039 | ( 2,412) | ( 349,664) |
| **FUND BALANCES, BEGINNING** | 2,275,797 | 1,036,049 | 1,775,893 |
| **FUND BALANCES, ENDING** | $ 2,359,836 | $ 1,033,637 | $ 1,426,229 |

| Capital Project Funds | | |
|---|---|---|
| CEDC Capital Project | Vehicle/ Equipment Replacement | Total Governmental Funds |
| $ - | $ - | $ 3,700,030 |
| - | - | 377,609 |
| - | - | 12,688 |
| - | - | 29,993 |
| - | - | 449,130 |
| - | 2,546 | 59,123 |
| - | - | 22,575 |
| - | 2,546 | 4,651,148 |
| | | |
| - | 41,299 | 124,089 |
| - | - | - |
| - | - | 30,214 |
| - | - | 765,857 |
| - | - | 179,167 |
| - | 7,099 | 920,600 |
| | | |
| - | - | 420,000 |
| - | - | 181,872 |
| - | 269,189 | 922,480 |
| - | 317,587 | 3,544,279 |
| | | |
| - | ( 315,041) | 1,106,869 |
| | | |
| - | 438,706 | 532,820 |
| - | - | ( 513,862) |
| - | 438,706 | 18,958 |
| - | 123,665 | 1,125,827 |
| 65,794 | 976,792 | 12,801,337 |
| $ 65,794 | $ 1,100,457 | $ 13,927,164 |

# CITY OF COLLEYVILLE, TEXAS

## DEBT SERVICE FUND

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Budget | Actual | Variance with Budget - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 642,420 | $ 736,053 | $ 93,633 |
| Intergovernmental | 655,781 | 655,781 | - |
| Investment earnings | 2,251 | 6,815 | 4,564 |
| Total revenues | 1,300,452 | 1,398,649 | 98,197 |
| **EXPENDITURES** | | | |
| Debt service: | | | |
| Principal retirement | 1,731,212 | 1,731,212 | - |
| Interest and fiscal charges | 122,825 | 238,605 | ( 115,780) |
| Total expenditures | 1,854,037 | 1,969,817 | ( 115,780) |
| **EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES** | ( 553,585) | ( 571,168) | ( 17,583) |
| **OTHER FINANCING SOURCES** | | | |
| Transfers in | 503,862 | 503,862 | - |
| Total other financing sources | 503,862 | 503,862 | - |
| **NET CHANGE IN FUND BALANCE** | ( 49,723) | ( 67,306) | ( 17,583) |
| **FUND BALANCE, BEGINNING** | 760,501 | 760,501 | - |
| **FUND BALANCE, ENDING** | $ 710,778 | $ 693,195 | $( 17,583) |

## AGENCY FUNDS

***Employee Activity Fund –*** This fund is used to account for funds held by the City for the benefit of employees of the City.

***Sesquicentennial Fund –*** This fund is used to account for funds held by the City for the benefit of the City of Colleyville's historical purposes.

# CITY OF COLLEYVILLE, TEXAS

## COMBINING STATEMENT OF FIDUCIARY NET POSITION

## AGENCY FUNDS

## SEPTEMBER 30, 2017

| | Employee Activity Fund | Sesquicentennial Fund | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ 4,700 | $ 20,546 | $ 25,246 |
| Total assets | $ 4,700 | $ 20,546 | $ 25,246 |
| **LIABILITIES** | | | |
| Due to other agencies and individuals | $ 4,700 | $ 20,546 | $ 25,246 |
| Total liabilities | $ 4,700 | $ 20,546 | $ 25,246 |

# CITY OF COLLEYVILLE, TEXAS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## AGENCY FUNDS

## FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Employee Activity Fund | | | |
|---|---|---|---|---|
| | Balance 10/01/16 | Additions | Deletions | Balance 09/30/17 |
| Cash and cash equivalents | $ 5,773 | $ 3,769 | $ 4,842 | $ 4,700 |
| Total assets | $ 5,773 | $ 3,769 | $ 4,842 | $ 4,700 |
| Due to other agencies and individuals | $ 5,773 | $ 3,769 | $ 4,842 | $ 4,700 |
| Total liabilities | $ 5,773 | $ 3,651 | $ 4,842 | $ 4,700 |

| | Sesquicentennial Fund | | | |
|---|---|---|---|---|
| | Balance 10/01/16 | Additions | Deletions | Balance 09/30/17 |
| Cash and cash equivalents | $ 19,716 | $ 830 | $ - | $ 20,546 |
| Total assets | $ 19,716 | $ 830 | $ - | $ 20,546 |
| Due to other agencies and individuals | $ 19,716 | $ 830 | $ - | $ 20,546 |
| Total liabilities | $ 19,716 | $ 830 | $ - | $ 20,546 |

| | Total Agency Funds | | | |
|---|---|---|---|---|
| | Balance 10/01/16 | Additions | Deletions | Balance 09/30/17 |
| Cash and cash equivalents | $ 25,489 | $ 4,599 | $ 4,842 | $ 25,246 |
| Total assets | $ 25,489 | $ 4,599 | $ 4,842 | $ 25,246 |
| Due to other agencies and individuals | $ 25,489 | $ 4,481 | $ 4,842 | $ 25,128 |
| Total liabilities | $ 25,489 | $ 4,481 | $ 4,842 | $ 25,128 |

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# STATISTICAL SECTION

This part of the City of Colleyville, Texas' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

**Contents** **Page**


Financial Trends 104

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 114

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 120

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 126

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 128

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.


Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

# CITY OF COLLEYVILLE, TEXAS

## NET POSITION BY COMPONENT

### (Accrual Basis of Accounting)

| | Fiscal Year | | |
|---|---|---|---|
| | 2008 | 2009 | 2010 |
| Governmental activities: | | | |
| Net investment in capital assets | $ 77,484,725 | $ 79,243,497 | $ 81,970,674 |
| Restricted for: | | | |
| Debt service | 889,689 | 1,040,896 | 1,057,699 |
| Court security and technology | - | - | - |
| Grant programs | - | - | - |
| Leisure services | - | - | - |
| Economic development | - | - | - |
| Streets and drainage | - | - | - |
| Police | - | - | - |
| Unrestricted | 21,862,136 | 27,498,864 | 25,936,703 |
| Total governmental activities net position | $ 100,236,550 | $ 107,783,257 | $ 108,965,076 |
| Business-type activities: | | | |
| Net investment in capital assets | $ 39,442,148 | $ 39,174,562 | $ 39,080,043 |
| Restricted for: | | | |
| Debt service | 1,024,349 | 987,181 | 983,225 |
| Unrestricted | 7,837,790 | 8,127,736 | 7,747,336 |
| Total business-type activities net position | $ 48,304,287 | $ 48,289,479 | $ 47,810,604 |
| Primary government: | | | |
| Net investment in capital assets | $ 116,926,873 | $ 118,418,059 | $ 121,050,717 |
| Restricted for: | | | |
| Debt service | 1,914,038 | 2,028,077 | 2,040,924 |
| Court security and technology | - | - | - |
| Grant programs | - | - | - |
| Leisure services | - | - | - |
| Economic development | - | - | - |
| Streets and drainage | - | - | - |
| Police | - | - | - |
| Unrestricted | 29,699,926 | 35,626,600 | 33,684,039 |
| Total primary government net position | $ 148,540,837 | $ 156,072,736 | $ 156,775,680 |

Note: The City implemented GASB 54 in fiscal year 2011 to provide clearer fund balance classifications. Prior years were not restated.

| Fiscal Year | | | | | | |
|---|---|---|---|---|---|---|
| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| $ 83,166,142 | $ 83,211,988 | $ 84,414,252 | $ 89,754,051 | $ 98,958,693 | $ 97,982,160 | $ 99,881,334 |
| 1,106,893 | 1,159,092 | 857,143 | 831,073 | 744,295 | 692,093 | 612,641 |
| 153,420 | 91,637 | 101,411 | 109,766 | 154,901 | 215,142 | 158,853 |
| 23,208 | 21,116 | 16,489 | 9,190 | 9,844 | 10,751 | 11,530 |
| 201,184 | 207,736 | 207,770 | 224,064 | 233,472 | 233,290 | 353,561 |
| 1,863,900 | 1,998,845 | 2,277,373 | 2,733,995 | 2,975,894 | 3,456,897 | 4,221,531 |
| 6,428,106 | 8,192,568 | 8,432,946 | 12,188,836 | 13,838,090 | 15,970,063 | 16,351,066 |
| 994,913 | 1,143,454 | 1,223,271 | 1,403,502 | 1,485,735 | 1,485,771 | 1,560,027 |
| 17,837,593 | 19,559,719 | 18,680,620 | 17,930,939 | 20,681,413 | 20,797,199 | 19,422,307 |
| $ 111,775,359 | $ 115,586,155 | $ 116,211,275 | $ 125,185,416 | $ 139,082,337 | $ 140,843,366 | $ 142,572,850 |
| $ 38,892,098 | $ 38,395,708 | $ 39,269,943 | $ 41,567,161 | $ 44,823,618 | $ 44,010,618 | $ 44,123,735 |
| 662,050 | - | - | - | - | | |
| 10,111,776 | 12,332,238 | 13,702,724 | 14,827,594 | 15,260,882 | 17,263,830 | 19,185,890 |
| $ 49,665,924 | $ 50,727,946 | $ 52,972,667 | $ 56,394,755 | $ 60,084,500 | $ 61,274,448 | $ 63,309,625 |
| $ 122,058,240 | $ 121,607,696 | $ 123,684,195 | $ 131,321,212 | $ 143,782,311 | $ 141,992,778 | $ 144,005,069 |
| 1,768,943 | 1,159,092 | 857,143 | 831,073 | 744,295 | 692,093 | 612,641 |
| 153,420 | 91,637 | 101,411 | 109,766 | 154,901 | 215,142 | 158,853 |
| 23,208 | 21,116 | 16,489 | 9,190 | 9,844 | 10,751 | 11,530 |
| 201,184 | 207,736 | 207,770 | 224,064 | 233,472 | 233,290 | 353,561 |
| 1,863,900 | 1,998,845 | 2,277,373 | 2,733,995 | 2,975,894 | 3,456,897 | 4,221,531 |
| 6,428,106 | 8,192,568 | 8,432,946 | 12,188,836 | 13,838,090 | 15,970,063 | 16,351,066 |
| 994,913 | 1,143,454 | 1,223,271 | 1,403,502 | 1,485,735 | 1,485,771 | 1,560,027 |
| 27,949,369 | 31,891,957 | 32,383,344 | 32,758,533 | 35,942,295 | 38,061,029 | 38,608,197 |
| $ 161,441,283 | $ 166,314,101 | $ 169,183,942 | $ 181,580,171 | $ 199,166,837 | $ 202,117,814 | $ 205,882,475 |

# CITY OF COLLEYVILLE, TEXAS

## CHANGES IN NET POSITION

**(Accrual Basis of Accounting)**

| | Fiscal Year | | |
|---|---|---|---|
| | 2008 | 2009 | 2010 |
| **EXPENSES** | | | |
| Governmental activities: | | | |
| General government | $ 2,814,874 | $ 2,945,481 | $ 2,691,905 |
| Community Development and Engineering | 1,481,124 | 1,530,901 | 1,645,221 |
| Fire and rescue | 3,958,111 | 4,113,793 | 4,419,945 |
| Leisure services | 4,033,105 | 3,941,259 | 4,118,769 |
| Maintenance | 417,265 | 455,752 | 423,783 |
| Municipal court | 324,020 | 291,724 | 302,756 |
| Police | 4,657,438 | 4,841,217 | 4,836,274 |
| Streets and drainage | 3,129,730 | 3,503,519 | 3,885,182 |
| Interest on long-term debt | 1,101,714 | 1,051,180 | 1,000,061 |
| Total governmental activities expenses | 21,917,381 | 22,674,826 | 23,323,896 |
| Business-type activities: | | | |
| Water and wastewater | 11,179,548 | 10,612,372 | 11,242,553 |
| Drainage | 593,600 | 658,016 | 572,234 |
| Interest on long-term debt | 362,642 | 331,361 | 296,288 |
| Total business-type activities expenses | 12,135,790 | 11,601,749 | 12,111,075 |
| Total primary government program expenses | $ 34,053,171 | $ 34,276,575 | $ 35,434,971 |
| **PROGRAM REVENUES** | | | |
| Governmental activities: | | | |
| Charges for services: | | | |
| General government | $ 16,000 | $ 15,000 | $ 15,000 |
| Community Development and Engineering | 1,332,453 | 666,914 | 647,298 |
| Fire and rescue | 250,814 | 271,216 | 235,225 |
| Leisure services | 563,738 | 6,595,487 | 468,426 |
| Municipal court | 1,171,919 | 1,002,008 | 1,213,178 |
| Police | 79,699 | 51,631 | 94,059 |
| Streets and drainage | 358,688 | 215,619 | 345,780 |
| Operating grants and contributions | 1,856,567 | 713,189 | 543,516 |
| Capital grants and contributions | 3,973,954 | 360,023 | 423,873 |
| Total governmental activities program revenues | 9,603,832 | 9,891,087 | 3,986,355 |

| Fiscal Year | | | | | | |
|---|---|---|---|---|---|---|
| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| $ 2,715,154 | $ 3,125,214 | $ 4,075,001 | $ 4,103,928 | $ 4,676,185 | $ 4,449,317 | $ 4,881,741 |
| 1,402,669 | 1,397,839 | 1,429,755 | 1,613,311 | 1,582,461 | 1,558,750 | 1,672,823 |
| 4,421,496 | 4,321,929 | 4,529,225 | 4,625,036 | 5,264,026 | 4,783,421 | 5,524,975 |
| 4,191,960 | 4,124,619 | 4,106,822 | 3,776,068 | 4,042,252 | 4,701,443 | 4,987,965 |
| 412,513 | 400,306 | 494,545 | 575,696 | 684,301 | 689,861 | 1,243,614 |
| 303,839 | 319,445 | 586,709 | 501,604 | 522,422 | 448,420 | 606,269 |
| 4,878,055 | 4,579,570 | 4,961,444 | 5,019,343 | 5,681,698 | 5,734,116 | 6,093,309 |
| 3,657,591 | 3,073,530 | 5,322,510 | 4,128,365 | 4,404,701 | 5,150,390 | 3,578,365 |
| 849,390 | 780,029 | 724,458 | 717,045 | 536,161 | 614,159 | 408,268 |
| 22,832,667 | 22,122,481 | 26,230,469 | 25,060,396 | 27,394,207 | 28,129,877 | 28,997,329 |
| 12,009,187 | 12,258,587 | 12,544,530 | 13,238,893 | 14,055,232 | 13,995,038 | 14,779,262 |
| 742,160 | 723,994 | 707,647 | 571,886 | 833,599 | 563,268 | 646,145 |
| - | - | - | - | - | - | - |
| 12,751,347 | 12,982,581 | 13,252,177 | 13,810,779 | 14,888,831 | 14,558,306 | 15,425,407 |
| $ 35,584,014 | $ 35,105,062 | $ 39,482,646 | $ 38,871,175 | $ 42,283,038 | $ 42,688,183 | $ 44,422,736 |
| $ 97,234 | $ 28,408 | $ 15,000 | $ 15,000 | $ 17,500 | $ 15,075 | $ 338,857 |
| 868,363 | 1,146,518 | 927,690 | 1,387,329 | 1,587,038 | 1,356,581 | 1,148,293 |
| 305,882 | 335,308 | 308,339 | 377,021 | 327,264 | 387,705 | 340,630 |
| 1,213,167 | 520,433 | 501,260 | 510,991 | 503,098 | 505,203 | 553,633 |
| 970,143 | 1,015,804 | 1,271,095 | 1,268,447 | 1,474,485 | 1,306,924 | 1,181,280 |
| 70,709 | 81,056 | 70,513 | 71,022 | 75,415 | 93,566 | 98,859 |
| 296,350 | 338,845 | 316,338 | 347,565 | 802,551 | 794,169 | 634,918 |
| 822,056 | 490,069 | 468,361 | 486,869 | 450,559 | 514,845 | 507,616 |
| 405,347 | 381,308 | 1,158,050 | 5,943,465 | 7,712,266 | 319,541 | 1,302,174 |
| 5,049,251 | 4,337,749 | 5,036,646 | 10,407,709 | 12,950,176 | 5,293,609 | 6,106,260 |

# CITY OF COLLEYVILLE, TEXAS

## CHANGES IN NET POSITION

## (Accrual Basis of Accounting)

| | Fiscal Year | | |
|---|---|---|---|
| | 2008 | 2009 | 2010 |
| **PROGRAM REVENUES** | | | |
| Business-type activities: | | | |
| Charges for services: | | | |
| Water and wastewater | $ 11,114,892 | $ 11,303,868 | $ 11,414,425 |
| Drainage | 859,013 | 874,637 | 897,361 |
| Capital grants and contributions | 1,415,785 | 63,293 | 147,014 |
| Total business-type activities program revenues | 13,389,690 | 12,241,798 | 12,458,800 |
| Total primary government program revenues | $ 22,993,522 | $ 22,132,885 | $ 16,445,155 |
| **NET (EXPENSE) REVENUES** | | | |
| Governmental activities | $(12,313,549) | $(12,783,739) | $(19,337,541) |
| Business-type activities | 1,253,900 | 640,049 | 347,725 |
| Total primary government net expense | (11,059,649) | (12,143,690) | (18,989,816) |
| **GENERAL REVENUES AND OTHER CHANGES IN NET POSITION** | | | |
| Governmental activities: | | | |
| Taxes | | | |
| Property | 11,367,967 | 12,121,420 | 12,557,716 |
| Franchise | 1,818,060 | 2,017,440 | 1,867,065 |
| Sales | 4,740,964 | 4,718,976 | 4,936,484 |
| Other | 82,532 | 74,198 | 75,365 |
| Investment earnings | 804,864 | 471,524 | 76,968 |
| Miscellaneous | 96,348 | 77,854 | 82,833 |
| Gain on sale of capital assets | 116,112 | 25,237 | 65,306 |
| Transfers | 841,936 | 823,797 | 857,622 |
| Total governmental activities | 19,868,783 | 20,330,446 | 20,519,359 |
| Business-type activities: | | | |
| Investment earnings | 380,595 | 168,940 | 15,158 |
| Gain on sale of capital assets | - | - | 15,864 |
| Transfers | ( 841,936) | ( 823,797) | ( 857,622) |
| Total business-type activities | ( 461,341) | ( 654,857) | ( 826,600) |
| Total primary government | 19,407,442 | 19,675,589 | 19,692,759 |
| **CHANGE IN NET POSITION** | | | |
| Governmental activities | 7,555,234 | 7,546,707 | 1,181,818 |
| Business-type activities | 792,559 | ( 14,808) | ( 478,875) |
| Total primary government | $ 8,347,793 | $ 7,531,899 | $ 702,943 |

Note: See Table 9 for information about Water and Wastewater Charges for services

**TABLE 2**

**(continued)**

| Fiscal Year | | | | | | |
|---|---|---|---|---|---|---|
| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| $ 14,355,418 | $ 14,034,600 | $ 14,661,491 | $ 14,789,614 | $ 15,800,163 | $ 15,499,159 | $ 15,956,329 |
| 903,089 | 918,323 | 928,863 | 939,868 | 948,565 | 954,642 | 985,636 |
| 168,365 | 169,464 | 876,660 | 2,707,835 | 2,362,261 | 43,104 | 481,413 |
| 15,426,872 | 15,122,387 | 16,467,014 | 18,437,317 | 19,110,989 | 16,496,905 | 17,423,378 |
| $ 20,476,123 | $ 19,460,136 | $ 21,503,660 | $ 28,845,026 | $ 32,061,165 | $ 21,790,514 | $ 23,529,638 |
| $( 17,783,416) | $( 17,784,732) | $( 21,193,823) | $( 14,652,687) | $( 14,444,031) | $(22,836,268) | $( 22,891,069) |
| 2,675,525 | 2,139,806 | 3,214,837 | 4,626,538 | 4,222,158 | 1,938,599 | 1,997,971 |
| ( 15,107,891) | ( 15,644,926) | ( 17,978,986) | ( 10,026,149) | ( 10,221,873) | (20,897,669) | ( 20,893,098) |
| 12,414,948 | 12,414,457 | 12,497,692 | 12,950,832 | 13,493,621 | 13,790,347 | 14,548,461 |
| 2,031,268 | 2,207,463 | 2,074,731 | 2,172,801 | 2,319,723 | 2,206,890 | 7,304,507 |
| 5,056,597 | 5,495,730 | 5,902,557 | 6,472,195 | 6,705,914 | 7,252,963 | 2,105,881 |
| 80,731 | 65,808 | 68,592 | 98,160 | 107,977 | 106,607 | 263,587 |
| 95,822 | 108,192 | 77,269 | 39,697 | 100,843 | 142,343 | 148,933 |
| 55,454 | 74,041 | 85,562 | 61,643 | 82,873 | 150,630 | 168,865 |
| - | 147,969 | - | 810,020 | - | 51,849 | 17,000 |
| 858,879 | 1,081,868 | 1,112,540 | 1,180,292 | 1,178,590 | 895,668 | 63,319 |
| 20,593,699 | 21,595,528 | 21,818,943 | 23,785,640 | 23,989,541 | 24,597,297 | 24,620,553 |
| 38,674 | 4,084 | 38,987 | 23,655 | 52,480 | 76,014 | 100,525 |
| - | - | 103,437 | 40,814 | 5,062 | 71,003 | - |
| ( 858,879) | ( 1,081,868) | ( 1,112,540) | ( 1,180,292) | ( 1,178,590) | ( 895,668) | ( 63,319) |
| ( 820,205) | ( 1,077,784) | ( 970,116) | ( 1,115,823) | ( 1,121,048) | ( 748,651) | 37,206 |
| 19,773,494 | 20,517,744 | 20,848,827 | 22,669,817 | 22,868,493 | 23,848,646 | 24,657,759 |
| 2,810,283 | 3,810,796 | 625,120 | 9,132,953 | 9,545,510 | 1,761,029 | 1,729,484 |
| 1,855,320 | 1,062,022 | 2,244,721 | 3,510,715 | 3,101,110 | 1,189,948 | 2,035,177 |
| $ 4,665,603 | $ 4,872,818 | $ 2,869,841 | $ 12,643,668 | $ 12,646,620 | $ 2,950,977 | $ 3,764,661 |

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# CITY OF COLLEYVILLE, TEXAS

## FUND BALANCES
## GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS
***(Modified Accrual Basis of Accounting)***

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| General fund | | | | | | | | | | |
| Non-spendable | $ - | $ - | $ - | $ 2,147 | $ 132,664 | $ 1,759 | $ 1,269 | $ 2,119 | $ 9,388 | $ 11,152 |
| Committed | - | - | - | 706,942 | 813,536 | 813,536 | 813,536 | 813,536 | 796,438 | 682,156 |
| Unassigned | 8,717,398 | 8,207,420 | 8,813,597 | 10,223,232 | 11,762,625 | 11,006,716 | 10,080,617 | 8,736,746 | 8,719,620 | 8,866,760 |
| Total general fund | $ 8,717,398 | $ 8,207,420 | $ 8,813,597 | $ 10,932,321 | $ 12,708,825 | $ 11,822,011 | $ 10,895,422 | $ 9,552,401 | $ 9,525,446 | $ 9,560,068 |
| All other governmental funds | | | | | | | | | | |
| Non-spendable | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Restricted | 987,681 | 1,121,567 | 1,154,570 | 10,853,638 | 12,894,768 | 13,190,883 | 17,571,843 | 19,527,446 | 22,132,415 | 23,349,763 |
| Committed | - | - | - | 5,967,620 | 6,193,060 | 6,262,082 | 6,793,236 | 7,150,127 | 6,402,557 | 6,502,600 |
| Assigned | - | - | - | 1,148,548 | 954,818 | 910,611 | 765,908 | 812,939 | 996,929 | 1,119,062 |
| Unassigned | - | - | - | | | ( 4,975) | - | - | - | - |
| Unassigned, reported in: | | | | | | | | | | |
| Special revenue funds | 5,696,905 | 7,267,350 | 5,664,493 | - | - | - | - | - | - | - |
| Capital projects funds | 7,811,492 | 12,369,631 | 11,524,206 | - | - | - | - | - | - | - |
| Total all other governmental funds | $ 14,496,078 | $ 20,758,548 | $ 18,343,269 | $ 17,969,806 | $ 20,042,646 | $ 20,358,601 | $ 25,130,987 | $ 27,490,512 | $ 29,531,901 | $ 30,971,425 |

Note: This schedule does not restate prior years for Special Revenue and Capital Projects Funds.
The City implemented GASB 54 in fiscal year 2011 to provide clearer fund balance classifications. Prior years were not restated.

# CITY OF COLLEYVILLE, TEXAS

## CHANGES IN FUND BALANCES
## GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS
***(Modified Accrual Basis of Accounting)***

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | | | |
| Taxes | $ 17,975,445 | $ 18,889,480 | $ 19,353,358 | $ 19,627,734 | $ 20,235,012 | $ 20,541,466 | $ 21,747,244 | $ 22,620,506 | $ 23,367,715 | $ 24,159,016 |
| Developer contributions | 226,488 | - | - | - | - | - | - | - | - | - |
| Licenses, fees and permits | 1,113,595 | 646,302 | 607,132 | 923,590 | 1,130,426 | 857,135 | 1,090,012 | 1,303,710 | 1,337,928 | 1,049,673 |
| Capital improvement fees | 358,688 | 208,622 | 334,075 | 281,260 | 322,498 | 300,900 | 333,496 | 785,992 | 766,398 | 612,134 |
| Fines and penalties | 1,203,260 | 1,028,425 | 1,244,146 | 998,221 | 1,051,899 | 1,000,954 | 1,043,821 | 1,217,654 | 1,023,202 | 1,218,194 |
| Charges for services | 1,322,732 | 7,129,322 | 917,884 | 1,694,993 | 1,030,439 | 1,321,927 | 1,577,564 | 1,571,510 | 1,398,579 | 1,485,658 |
| Interest | 804,864 | 471,524 | 76,968 | 95,823 | 110,550 | 77,269 | 39,697 | 100,842 | 142,330 | 148,909 |
| Intergovernmental | 1,437,935 | 350,468 | 100,807 | 541,709 | 124,056 | 76,506 | 556,954 | 1,377,763 | 224,367 | 668,469 |
| Donations | 548,093 | 401,432 | 379,853 | 602,401 | 406,789 | 487,066 | 918,613 | 981,282 | 421,497 | 449,130 |
| Miscellaneous | 116,280 | 155,100 | 97,833 | 70,453 | 89,041 | 100,562 | 76,643 | 97,873 | 165,642 | 183,889 |
| Total revenues | 25,107,380 | 29,280,675 | 23,112,056 | 24,836,184 | 24,500,710 | 24,763,785 | 27,384,044 | 30,057,132 | 28,847,658 | 29,975,072 |
| | | | | | | | | - | | |
| **EXPENDITURES** | | | | | | | | | | |
| General government | 2,537,699 | 2,639,218 | 2,423,869 | 2,383,276 | 2,753,457 | 3,171,582 | 3,746,619 | 4,126,132 | 4,036,395 | 4,166,735 |
| Comm Development/Eng | 1,462,566 | 1,531,785 | 1,642,047 | 1,397,256 | 1,396,259 | 1,429,574 | 1,606,589 | 1,524,342 | 1,623,972 | 1,511,400 |
| Fire | 3,755,575 | 3,840,118 | 3,955,407 | 3,972,053 | 3,888,225 | 4,062,535 | 4,174,745 | 4,618,103 | 4,568,639 | 4,870,759 |
| Police | 4,395,056 | 4,588,576 | 4,552,947 | 4,596,862 | 4,304,710 | 4,670,639 | 4,707,315 | 5,143,662 | 5,393,431 | 3,295,197 |
| Leisure services | 3,171,514 | 3,058,332 | 3,173,352 | 3,177,878 | 3,049,908 | 3,035,583 | 2,702,313 | 2,996,371 | 3,588,611 | 727,986 |
| Streets and drainage | 1,649,037 | 1,917,536 | 2,297,719 | 2,052,298 | 1,388,970 | 3,597,965 | 2,055,631 | 2,407,780 | 3,148,848 | 543,129 |
| Municipal court | 323,059 | 291,893 | 302,172 | 302,666 | 319,084 | 586,911 | 501,027 | 508,566 | 461,393 | 5,498,406 |
| Maintenance | 410,636 | 449,806 | 417,946 | 405,911 | 394,830 | 489,685 | 570,011 | 662,480 | 690,007 | 1,515,283 |
| Capital outlay | 5,150,286 | 2,759,774 | 4,935,053 | 2,510,027 | 2,515,115 | 2,668,074 | 3,250,508 | 6,268,273 | 2,373,025 | 4,421,734 |
| Debt service: | | | | | | | | | | |
| Interest | 2,584,790 | 1,033,148 | 944,751 | 838,320 | 757,594 | 697,140 | 716,228 | 524,414 | 563,660 | 420,477 |
| Principal | 1,189,798 | 2,275,553 | 2,180,061 | 2,259,004 | 2,007,585 | 2,246,921 | 1,342,586 | 1,459,693 | 1,467,094 | 2,151,212 |
| Total expenditures | 26,630,016 | 24,385,739 | 26,825,324 | 23,895,551 | 22,775,737 | 26,656,609 | 25,373,572 | 30,239,816 | 27,915,075 | 29,122,318 |

# CITY OF COLLEYVILLE, TEXAS

## CHANGES IN FUND BALANCES
## GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS
*(Modified Accrual Basis of Accounting)*

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **EXCESS OF REVENUES OVER (UNDER) EXPENDITURES** | $( 1,522,636) | $ 4,894,936 | $( 3,713,268) | $ 940,633 | $ 1,724,973 | $( 1,892,824) | $ 2,010,472 | $( 182,684) | $ 932,583 | $ 852,754 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | | | | |
| Bonds issued | - | - | - | 2,945,000 | - | - | | | | |
| Refunding bonds | - | - | - | - | - | - | 7,330,000 | - | 6,225,000 | - |
| Notes payable | - | - | - | - | - | - | | | | |
| Capital lease | 176,150 | - | 981,238 | - | 894,534 | 209,425 | | | - | 541,073 |
| Sale of capital assets | 98,168 | 33,759 | 65,306 | 7,098 | 147,969 | - | 925,033 | 20,598 | 95,796 | 17,000 |
| Premium on bond issue | | | | 6,561 | - | - | | | 239,163 | - |
| Payments to escrow | - | - | - | ( 3,012,910) | - | - | ( 7,600,000) | - | ( 6,373,776) | - |
| Transfers in | 2,082,101 | 2,338,776 | 1,884,896 | 2,458,396 | 3,893,584 | 4,189,380 | 7,355,334 | 6,497,252 | 5,665,493 | 4,552,668 |
| Transfers out | ( 1,240,165) | ( 1,514,979) | ( 1,027,274) | ( 1,599,517) | ( 2,811,716) | ( 3,076,840) | ( 6,175,042) | ( 5,318,662) | ( 4,769,825) | ( 4,489,349) |
| Total other financing sources (uses) | 1,116,254 | 857,556 | 1,904,166 | 804,628 | 2,124,371 | 1,321,965 | 1,835,325 | 1,199,188 | 1,081,851 | 621,392 |
| **NET CHANGE IN FUND BALANCES** | $( 406,382) | $ 5,752,492 | $( 1,809,102) | $ 1,745,261 | $ 3,849,344 | $( 570,859) | $ 3,845,797 | $ 1,016,504 | $ 2,014,434 | $ 1,474,146 |
| **DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES** | 17.6% | 15.3% | 14.3% | 14.5% | 13.6% | 12.3% | 9.3% | 8.3% | 8.0% | 10.4% |

# CITY OF COLLEYVILLE, TEXAS

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

## LAST TEN FISCAL YEARS

| Fiscal Year | Residential Property | Personal Property | Less: Tax-exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value |
|---|---|---|---|---|---|---|
| 2008 | $ 3,531,988,996 | $ 97,998,283 | $ 228,915,486 | $ 3,401,071,793 | 0.3559 | $ 3,401,071,793 |
| 2009 | 3,748,968,313 | 99,556,111 | 230,676,995 | 3,617,847,429 | 0.3559 | 3,617,847,429 |
| 2010 | 3,907,288,105 | 95,261,420 | 237,293,931 | 3,765,255,594 | 0.3559 | 3,765,255,594 |
| 2011 | 3,917,415,346 | 92,176,541 | 253,414,335 | 3,756,177,552 | 0.3559 | 3,756,177,552 |
| 2012 | 3,941,020,477 | 89,758,416 | 277,077,387 | 3,753,701,506 | 0.3559 | 3,753,701,506 |
| 2013 | 3,997,250,723 | 91,264,033 | 296,807,896 | 3,791,706,860 | 0.3559 | 3,791,706,860 |
| 2014 | 4,129,613,419 | 93,604,217 | 307,729,550 | 3,915,488,086 | 0.3559 | 3,915,488,086 |
| 2015 | 4,314,297,434 | 102,095,151 | 313,245,782 | 4,103,146,803 | 0.3559 | 4,103,146,803 |
| 2016 | 4,332,288,268 | 106,282,459 | 301,657,610 | 4,136,913,117 | 0.3559 | 4,136,913,117 |
| 2017 | 4,712,035,716 | 113,056,889 | 323,256,895 | 4,501,835,710 | 0.3391 | 4,501,835,710 |

Source: Tarrant Appraisal District

Note: Property in Tarrant County is reassessed once every two years. The Appraisal District assesses property at 100 percent of actual value for residential and personal. Tax rates are per $100 of assessed value.

# CITY OF COLLEYVILLE, TEXAS

## DIRECT AND OVERLAPPING PROPERTY TAX RATES

## LAST TEN FISCAL YEARS

| | City Direct Rates | | | Overlapping Rates | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Operations and Maintenance Rate | General Obligation Debt Service | Total Direct Rate | Birdville Independent School District | Carroll Independent School District | Grapevine-Colleyville Independent School District | Hurst-Euless Bedford Independent School District | Keller Independent School District | Tarrant County | Tarrant County College District | Tarrant County Hospital District |
| 2008 | 0.28299 | 0.07291 | 0.35590 | 1.4050 | 1.4650 | 1.29000 | 1.3037 | 1.3574 | 0.26650 | 0.139380 | 0.230397 |
| 2009 | 0.28860 | 0.06731 | 0.35590 | 1.4100 | 1.4150 | 1.29000 | 1.2955 | 1.4169 | 0.26400 | 0.137960 | 0.227897 |
| 2010 | 0.29864 | 0.05726 | 0.35590 | 1.4050 | 1.4150 | 1.29000 | 1.2955 | 1.4863 | 0.26400 | 0.137670 | 0.227897 |
| 2011 | 0.29758 | 0.05832 | 0.35590 | 1.4250 | 1.4150 | 1.29000 | 1.2882 | 1.5306 | 0.26400 | 0.137600 | 0.227900 |
| 2012 | 0.30881 | 0.04709 | 0.35590 | 1.4350 | 1.4150 | 1.32010 | 1.4140 | 1.5400 | 0.26400 | 0.148970 | 0.227897 |
| 2013 | 0.31385 | 0.04205 | 0.35590 | 1.4350 | 1.4000 | 1.32010 | 1.4075 | 1.5400 | 0.26400 | 0.148970 | 0.227897 |
| 2014 | 0.32442 | 0.03148 | 0.35590 | 1.4350 | 1.4000 | 1.32010 | 1.3875 | 1.5400 | 0.26400 | 0.149500 | 0.227897 |
| 2015 | 0.33461 | 0.02129 | 0.35590 | 1.4350 | 1.4000 | 1.32010 | 1.3750 | 1.5400 | 0.26400 | 0.149500 | 0.227897 |
| 2016 | 0.33624 | 0.01966 | 0.35590 | 1.4539 | 1.3950 | 1.32010 | 1.3500 | 1.5400 | 0.26400 | 0.149500 | 0.227897 |
| 2017 | 0.32191 | 0.01722 | 0.33913 | 1.4539 | 1.3900 | 1.39670 | 1.3160 | 1.5200 | 0.25400 | 0.144730 | 0.227897 |

Source: Tarrant Appraisal District

Notes: Overlapping rates are those of local and county governments that apply to property owners within the City of Colleyville, Texas. Not all school district overlapping rates apply to all Colleyville property owners because the City is served by five different independent school districts; for example, although the county property tax rates apply to all City property owners, the Grapevine-Colleyville Independent School District rates apply only to the approximately two-thirds of City property owners whose property is located within that school district's geographic boundaries.

# CITY OF COLLEYVILLE, TEXAS

## PRINCIPAL PROPERTY TAXPAYERS

## CURRENT YEAR AND NINE YEARS AGO

| Taxpayer | 2017 Taxable Assessed Value | 2017 Percentage of Total City Taxable Assessed Value | 2009 Taxable Assessed Value | 2009 Percentage of Total City Taxable Assessed Value |
|---|---|---|---|---|
| Colleyville Downs (KRG Colleyville LLC) | $ 33,883,995 | 0.75% | $ - | - % |
| Town Center (Velocis Colleyville) | 33,603,245 | 0.75% | - | - % |
| Toll Dallas TX LLC | 20,154,400 | 0.45% | - | - % |
| Oncor Electric Delivery | 16,036,630 | 0.36% | - | - % |
| Lifetime Fitness Real Estate | 13,685,000 | 0.30% | 12,275,000 | 0.34% |
| Standard Pacific of Texas Inc | 12,032,695 | 0.27% | - | - % |
| Memory Care Facility (Welltower Inc) | 10,965,235 | 0.24% | - | - % |
| Colleyville Lofts Venture LLC | 9,502,079 | 0.21% | - | - % |
| Mainvue TX LLC | 7,689,461 | 0.17% | - | - % |
| Atmos Energy/Mid Tex | 7,046,620 | 0.16% | 6,042,358 | 0.17% |
| Walmart Real Estate Trust | 7,009,811 | 0.16% | - | - % |
| Melvin & Martindale Ltd | - | - % | 25,806,252 | 0.71% |
| TXU Electric Delivery | - | - % | 17,858,176 | 0.49% |
| Albertsons Inc | - | - % | 14,416,298 | 0.40% |
| Colleyville Plaza LP | - | - % | 6,508,174 | 0.18% |
| Private Individual Taxpayer | - | - % | 6,283,500 | 0.17% |
| G Points SC Ltd (Shopping Ctr) | - | - % | 6,042,358 | 0.17% |
| American National Bank of Texas | - | - % | 5,880,738 | 0.16% |
| RP25 Development LP | - | - % | 5,801,685 | 0.16% |
| Total | $ 171,609,171 | 3.81% | $ 106,914,539 | 2.96% |

Source: Tarrant Appraisal District

# CITY OF COLLEYVILLE, TEXAS

## PROPERTY TAX LEVIES AND COLLECTIONS

## LAST TEN FISCAL YEARS

| Fiscal Year Ended | Taxes Levied for the Fiscal Year | Collected With the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|---|---|---|---|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2008 | $ 12,024,882 | $ 11,903,333 | 99.0% | $ 121,542 | $ 12,024,875 | 100.00% |
| 2009 | 12,875,919 | 12,734,871 | 98.9% | 140,871 | 12,875,742 | 100.00% |
| 2010 | 13,351,922 | 13,166,515 | 98.6% | 185,189 | 13,351,705 | 100.00% |
| 2011 | 13,183,932 | 13,063,575 | 99.1% | 120,061 | 13,183,636 | 100.00% |
| 2012 | 13,163,735 | 13,082,029 | 99.4% | 81,440 | 13,163,469 | 100.00% |
| 2013 | 13,291,462 | 13,207,902 | 99.4% | 82,965 | 13,290,867 | 100.00% |
| 2014 | 13,722,602 | 13,681,269 | 99.7% | 38,819 | 13,720,087 | 99.98% |
| 2015 | 14,305,704 | 14,242,584 | 99.6% | 54,878 | 14,297,462 | 99.94% |
| 2016 | 14,675,127 | 14,612,632 | 99.6% | 3,026 | 14,615,658 | 99.59% |
| 2017 | 15,508,345 | 15,423,832 | 99.5% | - | 15,423,832 | 99.46% |

Sources: Tarrant County Appraisal District and City of Colleyville Finance Department.

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# CITY OF COLLEYVILLE, TEXAS

## PRINCIPAL WATER CUSTOMERS

## CURRENT YEAR AND NINE YEARS AGO

| | 2017 | | 2009 | |
|---|---|---|---|---|
| Taxpayer | Water Usage | Percentage of Total City Water Usage | Water Usage | Percentage of Total City Water Usage |
| School District | 26,391,900 | 1.15% | 38,616,200 | 1.61% |
| Shopping Center | 13,100,100 | 0.57% | 12,114,500 | 0.50% |
| Fitness Facility | 13,041,800 | 0.57% | 10,932,900 | 0.46% |
| Health Care Facility | 5,337,200 | 0.23% | - | - % |
| Shopping Center | 5,151,500 | 0.23% | - | - % |
| Cemetary | 4,956,000 | 0.22% | 5,935,000 | 0.25% |
| Irrigation Meters | 4,077,200 | 0.18% | - | - % |
| HOA | 3,949,400 | 0.17% | 2,821,800 | 0.12% |
| Grocery Store | 3,728,600 | 0.16% | 8,393,800 | - % |
| HOA | 3,625,000 | 0.16% | 3,886,400 | 0.16% |
| School District | 3,335,900 | 0.15% | - | - % |
| Condominium Irrigation Meters | 3,256,400 | 0.14% | 4,671,900 | 0.19% |
| Hotel | 3,246,500 | 0.14% | - | - % |
| Car Wash | 3,069,600 | 0.13% | 2,815,800 | 0.12% |
| HOA | 2,985,500 | 0.13% | - | - % |
| HOA | 2,812,000 | 0.12% | 3,055,400 | 0.13% |
| Shopping Center | 2,792,900 | 0.12% | - | - % |
| HOA | 2,668,600 | 0.12% | - | - % |
| HOA | 2,613,400 | 0.11% | - | - % |
| Restaurant | 2,489,300 | 0.11% | 3,883,800 | 0.16% |
| Total | 112,628,800 | 4.92% | 97,127,500 | 3.70% |

Source: City utility billing records.

Notes: City chose not to include the exact names to protect the customers confidentiality.

# CITY OF COLLEYVILLE, TEXAS

## RATIOS OF OUTSTANDING DEBT BY TYPE

## LAST TEN FISCAL YEARS

| | Governmental Activities | | | | Business-type Activities | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds | Sales Tax Revenue Bonds | Capital Leases | Premium | Water and Sewer Revenue Bonds | Drainage Revenue Bonds | Capital Leases | Premium | Total Primary Government | Percentage of Personal Income | Per Capita |
| 2008 | $ 16,275,000 | $ 9,765,000 | $ 430,549 | $ - | $ 5,840,000 | $ 2,040,000 | $ - | $ - | $ 34,350,549 | 2.64% | $ 1,527 |
| 2009 | 14,665,000 | 9,170,000 | 359,996 | - | 5,200,000 | 1,870,000 | - | - | 31,264,996 | 2.51% | 1,386 |
| 2010 | 13,300,000 | 8,545,000 | 1,151,173 | - | 4,520,000 | 1,695,000 | - | - | 29,211,173 | 2.31% | 1,281 |
| 2011 | 11,510,000 | 8,245,000 | 972,170 | 5,905 | 3,600,000 | 1,550,000 | - | 99,756 | 25,982,831 | 1.73% | 1,137 |
| 2012 | 9,975,000 | 7,930,000 | 1,709,120 | 5,249 | 2,850,000 | 1,345,000 | - | 89,780 | 23,904,149 | 1.57% | 1,042 |
| 2013 | 8,675,000 | 7,600,000 | 1,301,624 | 4,593 | 2,085,000 | 1,135,000 | - | 79,805 | 20,881,022 | 1.38% | 904 |
| 2014 | 7,660,000 | 7,330,000 | 974,038 | - | 1,310,000 | 915,000 | - | 69,830 | 18,258,868 | 1.16% | 769 |
| 2015 | 6,920,000 | 6,935,000 | 649,345 | - | 850,000 | 690,000 | - | 59,854 | 16,104,199 | 1.02% | 676 |
| 2016 | 8,550,000 | 6,525,000 | 362,251 | 239,163 | 505,000 | 585,000 | - | 49,878 | 16,816,292 | 1.05% | 696 |
| 2017 | 7,125,000 | 6,105,000 | 597,110 | 238,957 | 155,000 | 475,000 | - | 24,939 | 14,721,006 | 0.88% | 598 |

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See Table 15 for personal income and population data.

# CITY OF COLLEYVILLE, TEXAS

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

## LAST TEN FISCAL YEARS

| Fiscal Year | General Bonded Debt Outstanding: General Obligation Bonds | Less Amounts Restricted to Repaying Principal | Total | Percentage of Actual Taxable Value of Property | Per Capita |
|---|---|---|---|---|---|
| 2008 | $ 16,275,000 | $ 889,689 | $ 15,385,311 | 0.45% | $ 684 |
| 2009 | 14,665,000 | 1,040,896 | 13,624,104 | 0.38% | 604 |
| 2010 | 13,300,000 | 1,057,699 | 12,242,301 | 0.33% | 537 |
| 2011 | 11,510,000 | 1,106,893 | 10,403,107 | 0.28% | 455 |
| 2012 | 9,933,921 | 1,159,092 | 8,774,829 | 0.23% | 382 |
| 2013 | 8,639,056 | 857,143 | 7,781,913 | 0.21% | 337 |
| 2014 | 7,660,000 | 831,073 | 6,828,927 | 0.17% | 288 |
| 2015 | 6,920,000 | 744,295 | 6,175,705 | 0.15% | 259 |
| 2016 | 8,550,000 | 692,093 | 7,857,907 | 0.19% | 324 |
| 2017 | 7,363,957 | 612,641 | 6,751,316 | 0.15% | 274 |

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See Table 5 for property value data.

Population data can be found in Table 15.

TABLE 12

# CITY OF COLLEYVILLE, TEXAS

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

## AS OF SEPTEMBER 30, 2017

| Government Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Direct and Overlapping Debt |
|---|---|---|---|
| Debt repaid with property taxes | | | |
| Birdville Independent School District | $ 266,624,695 | 0.080% | $ 213,300 |
| Carroll Independent School District | 269,575,246 | 0.370% | 997,428 |
| Grapevine-Colleyville Independent School District | 438,049,452 | 22.760% | 99,700,055 |
| Hurst-Euless-Bedford Independent School District | 412,119,890 | 1.580% | 6,511,494 |
| Keller Independent School District | 706,960,916 | 3.500% | 24,743,632 |
| Tarrant County | 321,795,000 | 2.960% | 9,525,132 |
| Tarrant County Hospital District | 20,835,000 | 2.960% | 616,716 |
| Subtotal overlapping debt | | | 142,307,758 |
| City direct debt | 14,066,067 | 100.000% | 14,066,067 |
| Total direct and overlapping debt | | | $ 156,373,825 |

Sources: Assessed value data used to estimate applicable percentages provided by the Tarrant County Appraisal District and debt outstanding data provided by each governmental unit.

# CITY OF COLLEYVILLE, TEXAS

## LEGAL DEBT MARGIN INFORMATION

## LAST TEN FISCAL YEARS

| Legal Debt Margin Calculation for Fiscal Year 2017 | |
|---|---|
| Assessed value | $ 4,501,835,710 |
| Debt limit (2.5% of assessed value) | 112,545,893 |
| Debt applicable to limit: | |
| General obligation bonds | 7,363,957 |
| Less: Amount set aside for repayment of general obligation debt | ( 612,641) |
| Total net debt applicable to limit | 6,751,316 |
| Legal debt margin | $ 105,794,577 |

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Debt limit | $ 85,026,795 | $ 87,755,997 | $ 94,131,390 | $ 93,904,439 | $ 93,842,538 | $ 94,792,672 | $ 97,887,202 | $ 102,578,670 | $ 103,422,828 | $ 112,545,893 |
| Total net debt applicable to limit | 15,385,131 | 13,624,104 | 12,242,301 | 10,403,107 | 8,815,908 | 7,817,857 | 6,828,927 | 6,175,705 | 7,857,907 | 6,751,316 |
| Legal debt margin | $ 69,641,664 | $ 74,131,893 | $ 81,889,089 | $ 83,501,332 | $ 85,026,630 | $ 86,974,815 | $ 91,129,692 | $ 96,402,965 | $ 95,564,921 | $ 105,794,577 |
| Total net debt applicable to the limit as a percentage of debt limit. | 18.09% | 15.52% | 13.01% | 11.08% | 9.39% | 8.25% | 6.98% | 6.02% | 7.60% | 6.00% |

Note:

Under state finance law, the City's outstanding general obligation debt should not exceed 2.50 percent of total assessed property value.

# CITY OF COLLEYVILLE, TEXAS

## PLEDGED REVENUE COVERAGE

## LAST TEN FISCAL YEARS

| Fiscal Year | Water Revenue Bonds | | | | |
|---|---|---|---|---|---|
| | Utility Service Charges | Less: Operating Expenses | Net Available Revenue | Debt Service | |
| | | | | Principal | Interest | Coverage |
| 2008 | $ 11,452,268 | $ 9,670,881 | 1,781,387 | $ 700,000 | $ 265,658 | $ 815,729 |
| 2009 | 11,458,282 | 8,943,803 | 2,514,479 | 640,000 | 241,223 | 1,633,256 |
| 2010 | 11,427,074 | 9,458,355 | 1,968,719 | 680,000 | 213,358 | 1,075,361 |
| 2011 | 14,391,910 | 10,120,678 | 4,271,232 | 920,000 | 57,819 | 3,293,413 |
| 2012 | 13,986,067 | 10,395,517 | 3,590,550 | 750,000 | 77,947 | 2,762,603 |
| 2013 | 14,802,351 | 10,707,017 | 4,095,334 | 765,000 | 58,430 | 3,271,904 |
| 2014 | 14,852,535 | 11,331,749 | 3,520,786 | 775,000 | 44,137 | 2,701,649 |
| 2015 | 15,856,242 | 12,043,267 | 3,812,975 | 460,000 | 30,100 | 3,322,875 |
| 2016 | 15,638,670 | 11,965,525 | 3,673,145 | 345,000 | 20,325 | 3,307,820 |
| 2017 | 16,045,635 | 12,673,136 | 3,372,499 | 350,000 | 9,900 | 3,012,599 |

**TABLE 14**

| Fiscal Year | Drainage Revenue Bonds | | | | | | Sales Tax Bonds | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Drainage Service Charges | Drainage Operations Expenses | Net Available Revenue | Debt Service | | Coverage | Sales Tax Increment | Debt Service | | Coverage |
| | | | | Principal | Interest | | | Principal | Interest | |
| 2008 | $ 902,232 | $ 510,259 | $ 391,973 | $ 165,000 | $ 96,984 | $ 129,989 | $ 1,300,260 | $ 270,000 | $ 380,013 | $ 650,247 |
| 2009 | 889,163 | 500,677 | 388,486 | 170,000 | 90,138 | 128,348 | 1,264,385 | 275,000 | 368,195 | 621,190 |
| 2010 | 915,734 | 484,712 | 431,022 | 175,000 | 82,930 | 173,092 | 1,317,161 | 290,000 | 356,290 | 670,871 |
| 2011 | 905,271 | 551,049 | 354,222 | 152,163 | 58,979 | 143,080 | 1,319,517 | 300,000 | 344,195 | 675,322 |
| 2012 | 908,387 | 531,705 | 376,682 | 205,000 | 51,244 | 120,438 | 1,426,909 | 315,000 | 331,588 | 780,321 |
| 2013 | 930,427 | 541,598 | 388,829 | 210,000 | 41,733 | 137,096 | 1,534,635 | 330,000 | 318,365 | 886,270 |
| 2014 | 941,416 | 416,957 | 524,459 | 220,000 | 35,398 | 269,061 | 1,673,351 | - | 138,390 | 1,534,961 |
| 2015 | 959,833 | 700,939 | 258,894 | 225,000 | 27,847 | 6,047 | 1,725,809 | 395,000 | 205,416 | 1,125,393 |
| 2016 | 966,687 | 414,619 | 552,068 | 105,000 | 22,121 | 424,947 | 1,864,084 | 410,000 | 193,824 | 1,260,260 |
| 2017 | 996,855 | 493,796 | 503,059 | 110,000 | 18,391 | 374,668 | 1,872,563 | 420,000 | 181,872 | 1,270,691 |

# CITY OF COLLEYVILLE, TEXAS

## DEMOGRAPHIC AND ECONOMIC STATISTICS

## LAST TEN FISCAL YEARS

| Calendar Year | Population | Personal Income | Per Capita Personal Income | Tarrant County Unemployment Rate |
|---|---|---|---|---|
| 2008 | 22,500 | $ 173,853 | $ 57,758 | 5.1% |
| 2009 | 22,550 | 166,063 | 55,170 | 8.2% |
| 2010 | 22,807 | 166,063 | 55,354 | 7.9% |
| 2011 | 22,860 | 199,168 | 65,516 | 8.3% |
| 2012 | 22,950 | 199,168 | 65,516 | 6.2% |
| 2013 | 23,090 | 199,168 | 65,516 | 6.0% |
| 2014 | 23,740 | 200,822 | 66,060 | 5.0% |
| 2015 | 23,830 | 200,822 | 66,060 | 4.0% |
| 2016 | 24,230 | 200,822 | 66,060 | 4.1% |
| 2017 | 24,630 | 207,438 | 68,236 | 3.4% |

Sources: Population - North Central Texas Council of Governments, personal income - City of Colleyville Economic Development Department, Unemployment Rate - Texas Workforce Commission (unemployment rate is not available solely for the City of Colleyville)

# CITY OF COLLEYVILLE, TEXAS

## PRINCIPAL EMPLOYERS

## CURRENT YEAR AND NINE YEARS AGO

| Employer | 2017 Employees | 2017 Percentage of Total City Employment | 2009 Employees | 2009 Percentage of Total City Employment |
|---|---|---|---|---|
| Grapevine Colleyville ISD | 611 | 5.9% | 150 | 2.6% |
| Market Street | 345 | 3.3% | 200 | 3.5% |
| Lifetime Fitness | 250 | 2.4% | 230 | 4.0% |
| City of Colleyville | 206 | 2.0% | 199 | 3.4% |
| Covenant Christian Academy | 130 | 1.3% | - | - % |
| Whole Foods Market | 125 | 1.2% | - | - % |
| Albertsons | 118 | 1.1% | 110 | 1.9% |
| LaHacienda Ranch | 100 | 1.0% | 100 | 1.7% |
| Walmart Neighborhood Market | 72 | 0.7% | - | - % |
| US Memory Care | 60 | 0.6% | - | - % |
| Morgan Stanley | - | - % | 122 | 2.1% |
| DigiMedical Solutions | - | - % | 90 | 1.6% |
| Mac's Steak and Seafood | - | - % | 80 | 1.4% |
| TGW Insurance | - | - % | 75 | 1.3% |
| Neo Industries | - | - % | 60 | 1.0% |
| Crème de la Crème | - | - % | 60 | 1.0% |
| Sonshine Academy | - | - % | 60 | 1.0% |
| Total | 2,017 | 19.5% | 1,536 | 26.5% |

Source: City Economic Development Division

# CITY OF COLLEYVILLE TEXAS

## FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

## LAST TEN FISCAL YEARS

| Function/Program | Fulltime Equivalent Employees as of September 30, 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| General government | | | | | | | | | | |
| Management services | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3.75 | 5 |
| Finance/court | 6 | 6 | 6 | 6 | 6 | 8 | 8 | 8 | 8 | 9 |
| Planning | 3 | 3 | 2 | 2 | 2 | 2 | 4 | 3 | 4 | 4 |
| Building | 6 | 6 | 5 | 4 | 3 | 3 | 3.5 | 5 | 5 | 5 |
| Other | 6.5 | 7.5 | 9.5 | 11 | 11 | 13 | 11.625 | 13.52 | 14.14 | 12.14 |
| Police | | | | | | | | | | |
| Officers | 37 | 38 | 38 | 38 | 39 | 40 | 41 | 42.5 | 43 | 43 |
| Civilians | 14 | 14 | 13 | 6 | 6 | 6 | 6.5 | 7 | 6.5 | 6 |
| Fire | | | | | | | | | | |
| Firefighters and officers | 33 | 33 | 33 | 33 | 35 | 36 | 38 | 41 | 41 | 41 |
| Civilians | 1 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other public works | | | | | | | | | | |
| Engineering | 5 | 5 | 4 | 4.5 | 3 | 3 | 4.05 | 3.95 | 4.75 | 2.75 |
| Other | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Streets | 10 | 10 | 10 | 10 | 10 | 7 | 8.35 | 8.35 | 8.35 | 8.35 |
| Parks and recreation | 13.5 | 13.5 | 16.5 | 16 | 16 | 16 | 15.75 | 15 | 15 | 17 |
| Library | 8 | 8 | 9.5 | 11.5 | 11.5 | 12 | 13 | 13.625 | 13 | 13 |
| Colleyville center | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 3.5 | 4 | 4.5 | 4.5 | 4.0 |
| Water/wastewater | 29 | 29 | 28 | 24 | 24.5 | 23 | 24.675 | 25.025 | 24.225 | 25.6 |
| Drainage | 6 | 6 | 6 | 6 | 6 | 7 | 6 | 6 | 6.41 | 6.41 |
| Total | 190.5 | 191.5 | 194.0 | 184.5 | 185.5 | 187.5 | 196.5 | 204.5 | 205.6 | 206.0 |

Source: City Human Resources Office

Notes: A fulltime employee is scheduled to work 2080 hours per year (including vacation and sick leave). Fulltime equivalent employment is calculated by dividing total labor hours by 2080.

# CITY OF COLLEYVILLE, TEXAS

## OPERATING INDICATORS BY FUNCTION/PROGRAM

## LAST TEN FISCAL YEARS

| Function/Program | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| General government | | | | | | | | | | |
| Building permits issued | 131 | 90 | 77 | 104 | 155 | 103 | 108 | 181 | 182 | 136 |
| Building inspections conducted | 8,108 | 5,641 | 6,149 | 6,737 | 8,310 | 8,292 | 7,807 | 7,307 | 8,940 | 10,666 |
| Police | | | | | | | | | | |
| Physical arrests | 514 | 809 | 764 | 666 | 653 | 632 | 863 | 800 | 918 | 602 |
| Calls for service | 15,292 | 23,480 | 12,242 | 27,254 | 48,076 | 61,270 | 58,522 | 51,537 | 43,492 | 34,437 |
| Traffic violations | 15,621 | 12,550 | 13,822 | 11,354 | 11,980 | 11,766 | 19,955 | 21,450 | 20,790 | 13,016 |
| Fire | | | | | | | | | | |
| Emergency responses | 681 | 737 | 762 | 830 | 724 | 557 | 627 | 694 | 1,783 | 1,768 |
| Ambulance calls | 667 | 693 | 751 | 765 | 803 | 829 | 950 | 959 | 1,037 | 967 |
| Inspections | 666 | 796 | 784 | 397 | 342 | 306 | 317 | 363 | 400 | 361 |
| Other public works | | | | | | | | | | |
| Street resurfacing (miles) | 8.5 | 13.9 | 8.0 | 6.2 | 1.0 | 4.0 | 1.7 | 3.7 | 10.9 | 6.8 |
| Parks and recreation | | | | | | | | | | |
| Athletic field participants | 5,159 | 4,617 | 4,296 | 4,378 | 3,946 | 4,287 | 4,315 | 4,434 | 4,302 | 4,517 |
| Community center rentals | 627 | 507 | 373 | 410 | 404 | 398 | 412 | 452 | 376 | 405 |
| Library | | | | | | | | | | |
| Volumes in collection | 50,348 | 54,659 | 58,147 | 62,997 | 65,740 | 69,736 | 74,525 | 77,664 | 80,452 | 82,182 |
| Total volumes borrowed | 211,674 | 238,459 | 244,458 | 235,238 | 244,613 | 250,737 | 234,667 | 228,160 | 222,128 | 227,252 |
| Water | | | | | | | | | | |
| Customers | 8,893 | 8,960 | 9,014 | 9,103 | 9,285 | 9,396 | 9,507 | 9,631 | 9,858 | 9,987 |
| Average daily consumption (thousands of gallons) | 6,619 | 6,578 | 5,990 | 7,928 | 7,217 | 6,785 | 6,539 | 6,451 | 5,889 | 6,355 |
| Peak daily consumption (thousands of gallons) | 16,764 | 16,674 | 18,207 | 18,935 | 18,707 | 17,052 | 15,204 | 19,866 | 15,724 | 12,434 |
| Wastewater | | | | | | | | | | |
| Customers | 8,138 | 8,315 | 8,389 | 8,457 | 8,603 | 8,731 | 8,817 | 8,905 | 9,071 | 9,270 |

Source: Various City departments

# CITY OF COLLEYVILLE, TEXAS

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

## LAST TEN FISCAL YEARS

| Function/Program | Fiscal Year 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 13 | 13 | 13 | 13 | 12 | 12 | 12 | 13 | 13 | 13 |
| Fire | | | | | | | | | | |
| Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Public works | | | | | | | | | | |
| Streets (miles) | 312 | 312 | 318 | 282 | 282 | 282 | 283 | 283 | 283 | 289 |
| Streetlights | 1,010 | 1,168 | 1,188 | 1,169 | 1,169 | 1,175 | 1,175 | 1,227 | 1,269 | 1,269 |
| Traffic signals | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 224 | 224 | 224 | 224 | 224 | 224 | 224 | 224 | 225 | 225 |
| Playgrounds | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 7 |
| Baseball/softball diamonds | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Soccer fields | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Community centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water | | | | | | | | | | |
| Water mains (miles) | 192 | 199 | 200 | 195 | 201 | 202 | 204 | 205 | 206 | 206 |
| Fire hydrants | 1,271 | 1,340 | 1,345 | 1,362 | 1,389 | 1,389 | 1,403 | 1,422 | 1,507 | 1,517 |
| Storage capacity (thousands of gallons) | 4,900 | 9,900 | 9,900 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 164 | 166 | 170 | 162 | 169 | 170 | 172 | 172 | 179 | 180 |
| Storm sewers (miles) | 59 | 63 | 63 | 58 | 64 | 58 | 60 | 67 | 69 | 70 |

Source: Various City departments

Note: No capital asset indicators are available for the general government or library function.

# COMPLIANCE

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PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

# INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and
Members of the City Council
City of Colleyville, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Colleyville, Texas, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Colleyville Texas' basic financial statements, and have issued our report thereon dated March 2, 2018.

## *Internal Control Over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the City of Colleyville Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Colleyville Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Colleyville Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



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Governmental Audit Quality Center

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial report that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City of Colleyville Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 2, 2018